

# The NATIONAL UNDERWRITER



For many months the Security-Connecticut Companies have been organizing and preparing to write bonds. The new department is now well established and working in the Companies' offices. All fieldmen have been specially trained in their new responsibilities. In most states the Security is now writing bonds, as well as casualty insurance, as is the Connecticut Indemnity.

At least six times a year for many years these companies have issued a sales promotion plan on some type of insurance or insurance agency service. Our agents have found that these plans really help them sell. So it is fitting that the first bond sales plan issued by our companies should be on one of the most popular combination bonding lines. This is the bonding-burglary line with the greatest profit possibilities for most local agents: the Comprehensive Dishonesty, Disappearance and Destruction Policy.



**Security INSURANCE COMPANY OF NEW HAVEN**  
**THE Connecticut INDEMNITY COMPANY**  
HOME OFFICES: NEW HAVEN, CONNECTICUT  
1841 — "SECURITY", THE NATION'S WATCHWORD — 1951

Our agents have received a new Bulletin outlining a concrete, practical procedure for selling the DDD policy. With it was sent an attractive new folder which tells about the coverages with cartoons and in easily understandable terms. Send, today, for your copy of this helpful new Bulletin and the folder, "The Case of the Disappearing Dollars" shown here. Simply clip the coupon and this valuable selling material will be mailed to you.



**SECURITY-CONNECTICUT COMPANIES**  
New Haven, Connecticut

Please mail me, without cost or obligation, your new Bulletin and folder on the Comprehensive Dishonesty, Disappearance and Destruction policy.

Name  (please print)

Agency

Street

City or Town  State

THURSDAY, MAY 31, 1951

FIRE · MARINE · CASUALTY · SURETY

*Loyalty Group*

INSURANCE

FINANCIAL STATEMENTS DECEMBER 31, 1950

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. Organized 1855	\$12,625,000.	\$103,339,366.	\$59,095,773.	\$44,243,593.
The Girard Fire & Marine Insurance Company Organized 1853	1,000,000.	10,147,710.	6,856,269.	3,291,441.
National-Ben Franklin Fire Insurance Company Organized 1866	1,000,000.	9,795,730.	6,388,425.	3,407,305.
Milwaukee Insurance Company of Milwaukee, Wis. Organized 1852	2,000,000.	26,621,995.	17,269,325.	9,352,670.
The Metropolitan Casualty Insurance Co. of N. Y. Organized 1874	1,500,000.	34,858,112.	26,225,057.	8,633,056.
Commercial Casualty Insurance Company Organized 1909	1,000,000.	39,807,677.	30,226,458.	9,581,219.
Royal General Insurance Company of Canada Organized 1906	100,000.	425,988.	24,127.	401,861.

Pittsburgh Underwriters - Keystone Underwriters

HOME OFFICE

10 Park Place  
Newark 1, New Jersey



WESTERN DEPARTMENT  
120 So. LaSalle Street  
Chicago 3, Illinois

SOUTHWESTERN DEPARTMENT  
912 Commerce Street  
Dallas 2, Texas

CANADIAN DEPARTMENTS  
800 Bay St., Toronto 2, Ontario  
535 Homer St., Vancouver, B. C.

PACIFIC DEPARTMENT  
220 Bush Street  
San Francisco 6, Calif.

FOREIGN DEPARTMENTS  
102 Maiden Lane  
New York 5, New York  
206 Sansome Street  
San Francisco 4, Calif.

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## Bureau Filings on Time Payment Plans Approved in Ky.

### Annual Renewal, Installment Plans Get Standard Rules; Bureau Shifts Stand

The annual renewal plan and the installment premium plan as filed by the inspection bureau have been approved in Kentucky. This is the first case of a filing being made by an inspection bureau of what up to now has been considered a deviation, and the action is an about face from the previous bureau position.

In the explanatory letter to companies and agents dated May 28, G. H. Parker, bureau manager, states that in view of the large number of individual company filings applying to the annual renewal plan and installment plan, "it is believed highly advisable that the bureau adopt standard rules and recommended forms in order to eliminate the multiplicity of the different plans and to permit uniformity in handling premium payments on the deferred basis."

Similar filings, it is understood, are to be made in other middlewestern states except where such plans are not allowed.

The new rules state that policies covering risks eligible to term insurance at reduced multiples of the annual rate, except policies written under the budget plan and except reporting form policies, may be written on either the annual extension (renewal) plan, or the installment plan.

#### Provisions for Writing

Under the extension plan, an annual policy is issued to which is attached an endorsement which provides in effect that the insured may extend or renew the policy for not more than four successive years.

The endorsement providing the extension or renewal privilege must be attached to all annual policies covering risks eligible to term insurance as provided in the rule book.

Each extension or renewal, not exceeding four, is to be written at 80% of the annual rate applying at the time of such renewal or extension, and subject to minimum premiums, newly amended in Kentucky to \$5.

The amount of the insurance may be increased any time during the term of the policy if the amount is increased on an anniversary date showing the policy period. If the amount is increased on an anniversary date, the full annual rate shall apply to the amount of the increase. If it is increased after inception date of the policy or extension, pro rata of the full annual rate shall apply.

Under the installment plan the rate shall be computed for a three-year policy at 2.60 times the annual rate, one full annual premium payable at inception, the remainder to be paid one-half one year after inception and the other half two years after inception. For a five year policy the rate is 4.20 times the annual rate, payable one full annual premium at inception and the remainder in quarters annually.

Since under this plan a term policy is issued, but the entire premium not paid in advance, the rules state that it is important that the policy be actually

## Automatic Reinstatement of Loss Clause Emerges

The automatic reinstatement of loss clause as recommended for national use by Insurance Executives Assn., has been authorized in New Jersey by Fire Insurance Rating Organization of that state and it went into effect in Kentucky Monday. "The reduction(s), in the amount of this policy resulting from loss hereunder," the clause reads, "will be automatically reinstated to the extent of and concurrently with the repair or replacement of property damaged or destroyed."

This abrogates the rule for unearned premium insurance which is no longer required. The clause for use with time element policies is the same except that it ends after the word reinstated.

Automatic reinstatement is permitted under the new rule without regard to restoration of physical values in the case of business interruption, extra ex-

pense, additional living expense and rent policies.

The inventory and iron safe clause is no longer required in Kentucky and the previous rule and clause have been abrogated.

The inventory and iron safe clause requires the insured to take an inventory at least once a year, maintain running records and keep them either in a safe on the premises or at a place away from the premises. It is required mainly of small mercantile risks in unprotected territory. It was often paired with the three fourths value clause. In the pre-income tax days perhaps one out of five merchants kept no records whatsoever and loss adjustments under those circumstances were often ugly. Now, however, due to income tax requirements there are far fewer merchants who operate on such a sketchy basis.

### New Zealand to Enter Casualty Field; Adds to Staff

New Zealand is entering the general casualty business and has announced three appointments to the new casualty staff. The company has been writing automobile full cover, and now will take on general liability, comprehensive plate glass, residence theft, mercantile burglary and robbery.

Richard A. Christy has been named casualty underwriter. He started with Royal Indemnity in 1947 at San Francisco and has been with that company at Fresno.

Paul S. Tennant has been named superintendent of the new casualty claims department. Mr. Tennant started in insurance as an independent adjuster in 1940 and later joined Eagle-Globe-Royal Indemnity at San Francisco in 1943 as assistant claims manager. For a time he was with Hansen & Rowland at Tacoma and then returned to Royal, becoming chief examiner on the Pacific Coast.

Jack S. Schlotzhauer has been named casualty underwriter. He was with Cravens-Dargan, Los Angeles, and more recently with Preferred Accident.

cancelled in event of default of any installment payment; otherwise the policy would still be effective, even though the installment had not been paid.

Several examples are given for com-

### America Fore Officers Hear Array of Notables at N. Y.

All officers of America Fore country-wide have concluded a three day conference in New York.

President Frank A. Christensen and J. Victor Herd, executive vice-president, presided. Among the guests invited to speak were:

J. Dewey Dorsett, general manager, and Ray Murphy, general counsel, of Assn. of Casualty & Surety Companies; J. Raymond Berry, general counsel of the National Board; Martin Lewis, general manager of Surety Assn. of America.

Also, William Leslie, general manager of National Bureau of Casualty Underwriters; L. C. Irvine, general manager of American Foreign Insurance Assn.; W. G. Drysdale, manager of Railroad Insurance Assn.; Harold Wayne, general manager, and Joseph Bill, assistant general manager of Inland Marine Underwriters Assn.; J. Ross Moore, manager of National Automobile Underwriters Assn.; L. A. Vincent, general manager, and Bruce Bielski, assistant general manager of the National Board; Owen C. Torrey, general manager, and Carl P. Kremer, assistant manager of Marine Office of America, and Byron C. May, assistant manager of Associated Aviation Underwriters.

Putting additional premiums and return premiums during the term of the policy.



B. C. Vitt, president American group; Oscar C. Gleiser, deputy U. S. manager of Commercial Union; Douglas Erskine, Insurance Executives Assn.; H. W. Miller, U. S. manager of Commercial Union; Capt. John F. Neville, on leave as executive secretary of National Assn. of Insurance Agents, and Milton W. Mays, Insurance Executives Assn., at National Board annual meeting.

## National Board's 85th Annual Is Brilliant Affair

### Cooney President, Conick V.-P.; Reports Cover Much Ground

NEW YORK—As usual the annual dinner of the National Board was a splendid affair, with everyone fraternizing right and left and then sitting down to one of the best dinners the business gets all year. The crowd was a big one, the number of distinguished guests on the dais was small but really distinguished, and the new president, John R. Cooney, head of the Loyalty group, held the formalities to a brisk minimum.

As has become customary with multiple line legislation, a considerable number of casualty insurance executives were on hand. The smooth and pleasant flow of events as usual testified to a lot of good solid work at board headquarters.

#### Smith and Berry Reelected

John R. Cooney, president of Loyalty group, was elected president, and Harold C. Conick, U. S. manager of Royal-Liverpool, vice-president. Harold V. Smith, president of Home, was reelected treasurer, and Peter J. Berry, president of Security, secretary.

Mr. Cooney, who succeeds W. Ross McCain, chairman of Aetna Fire, has been vice-president of the board two years. He is vice-president of General Adjustment Bureau and chairman of Insurance Executives Assn.

#### Atomic Claims Settled

General Adjustment Bureau is representing Atomic Energy Commission in Los Alamos, N. M., in investigation of damage claims resulting in the Las Vegas area from tests held in January and February, 1950, northwest of Indian Springs, Nev. This was brought out in the annual report of committee on adjustments. Perrin C. Cothran, vice-president and secretary of Phoenix-Connecticut is chairman.

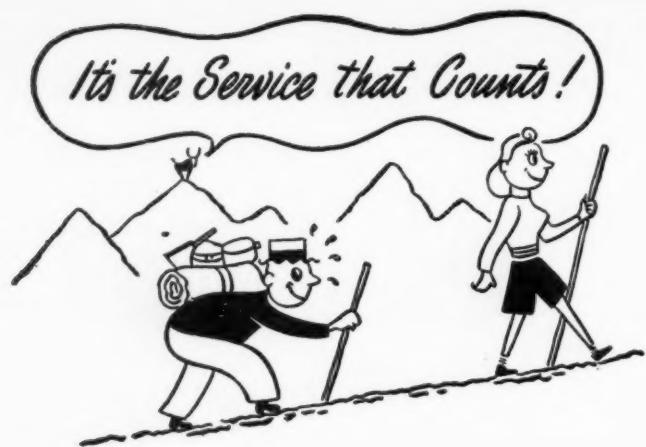
An A.E.C. release April 5 states that investigation of claims has been largely completed. There have been 102 reports of damage, in most cases quite light. Many who reported damage signed waivers "in the interest of the national defense." Other claims have nearly all been processed. G.A.B. forwards formal claims to A.E.C. in Los Alamos. If it is a justifiable claim there is a recommendation as to settlement. Any payments involved are made by the A.E.C. A.E.C. has expressed gratification with the entire program.

#### No Arrangement with Navy

Because of regulations it was not possible to perfect a similar arrangement with the navy in connection with alleged damages in Arizona. Such losses will take the normal course of adjustment, according to the committee. The report stated, however, that it is hoped that such losses as companies are called upon to acknowledge will be sufficiently documented as to permit reimbursement by the navy without the necessity of litigation.

The federal crop policy now includes fire, and since the other insurance clause in that policy differs substantially from the pro rata liability clause in the com-

(CONTINUED ON PAGE 20)



Climb to the Top with Springfield Group Service.



## THE SPRINGFIELD GROUP

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY  
Springfield, Mass.

NEW ENGLAND INSURANCE COMPANY  
Springfield, Mass.

MICHIGAN FIRE AND MARINE INSURANCE COMPANY  
Detroit, Mich.

### OF INSURANCE COMPANIES



SINCE 1911 . . .

The Utilities has long afforded complete underwriting facilities for the principal classes of casualty insurance — actually, the Utilities has underwritten some of these coverages ever since they were originated and first written, many years ago, by a maturing casualty insurance industry, to meet the needs of a young and growing Democracy.

#### Representation in

Colorado  
Indiana

Missouri  
Nebraska

Oklahoma  
Tennessee

### UTILITIES INSURANCE COMPANY

112 North Fourth Street • St. Louis 2, Mo.  
and the Affiliate Company:

### PREFERRED FIRE INSURANCE COMPANY

701 Jackson Street • Topeka, Kans.

JOHN J. NANGLE, President



DINNER TABLE GROUPS AT NATIONAL BOARD ANNUAL GATHERING:

Top: Frank Agnew, National Board, San Francisco; E. M. Griggs, National Board, Chicago; Russell D. Hobbs, Western Actuarial Bureau, Chicago, and Joseph G. Bill, Inland Marine Underwriters Assn., New York.

Second panel: Pacific Fire group officials: E. G. Crapser, C. R. Keep, A. R. Matthews, and S. G. Amerman.

Third: J. C. Hullett, vice-president; W. S. Vanderbilt, secretary, and F. T. Fenn, treasurer of Hartford Fire.

Fourth: H. E. Soward and Bert A. Walinder, Chicago, and George R. Carey, New York, America Fire contingent.

Bottom: Elmer F. Reske, Cook County Inspection Bureau; E. H. Born, Western Underwriters Assn., and E. N. Searle, Western Actuarial Bureau, all of Chicago.

### London Assurance Has Simplified Shield

Adoption of a new "streamlined" shield, replacing a more complicated coat-of-arms used for the past 98 years, is announced by London Assurance, now in its 321st year.

The new simplified device will be used on policies, letterheads and in advertising and other company promotional material. To minimize waste, the change-over will be gradual.

The new shield is a more striking rendition of the central portion of the old coat-of-arms. The top part features three white anchors on a field of blue, symbolizing protection granted by the company's marine policies, which in this country are underwritten through Chubb & Son. The lower part is divided by a red cross represented by two lines, one heavy and one thin. A red sword appears in both the upper left and the lower right hand corners.

The new shield has also been used as the basis for an official London Assurance "house flag," a copy of which is on display in the U. S. headquarters at 99 John street, New York.

Preston D. Gardner, divisional executive of Public Service Gas & Electric Co., has been elected a director of Camden Fire.

### Work in Training Plan Is Set Up by C. C. N. Y.

NEW YORK—A work-in-training course in the field of insurance will be inaugurated in the fall at the City College school of business and civic administration. This will be known as cooperative insurance training program. Qualified seniors majoring in insurance will be employed for a year in trainee positions. They will work for 20 hours a week in addition to attending regular classes.

In charge of the program will be George M. Palmer, lecturer in insurance at the school. Since 1939, Mr. Palmer has also been in the agency business.

Assisting Mr. Palmer in screening of students are John P. Coffey, Jr., Massachusetts Bonding; William E. Lowe, Boston; Edward M. Brown, National Surety; Edgar E. Isaacs, American-Associated; Atwood P. Lindsay, Commercial Union, and Wade G. Bounds, Maryland Casualty.

J. P. Hacker, vice-president of Standard Accident, addressed the men's night of Insurance Women of Albany, N. Y., on "You and the Public." Walter F. Brooks, New York deputy superintendent, installed these officers: President Miss Edna M. Curtis; vice-president, Miss Loretta Reilly; secretaries, Miss Margaret Beebe and Miss Margaret Garvey; treasurer, Mrs. Sarah Sterling.

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## George Middleton Elected to Fourth Term by Brokers

George S. Middleton of Chicago was elected president of National Assn. of Insurance Brokers for his fourth consecutive term at the annual meeting of the directors at Boston last week. Other officers elected are: Nelson J. Birkholm, San Francisco, and Thomas W. Sweeney, New York, vice presidents; John O. Cole, New York, treasurer, and Barclay Shaw, New York, secretary.

At the conclusion of the two-day meeting, the directors and their wives were the guests of Insurance Brokers Assn. of Massachusetts at a dinner attended by more than 200. Harriman A. Reardon, president of the Massachusetts association, was toastmaster and introduced Dennis E. Sullivan, Massachusetts commissioner, who was making his first public appearance as commissioner.

The directors at their sessions went on record in favor of prompt reactivation of War Damage Corp. along the lines followed in the last war, and again went on record as being unalterably opposed to the regulation of commissions by law.

On the final day, the following were elected as directors: T. W. Bailey, New York; J. Birkholm, San Francisco; Oliver Blase, St. Louis; G. P. Cronk, Los Angeles; B. E. Davidson, Chicago; Arthur Kindler, San Francisco; M. J. Ladd, Boston; John Langhorne, New York; E. W. Peniston, New York; J. S. Wiester, Los Angeles; H. D. Willson, San Francisco, and A. E. Woddy, Baltimore.

### Name Arbitration Units

NEW YORK—The appointment by the Combined Claims Committee of arbitration committees to serve during 1951 in 53 cities is announced by the Claims Bureau of Assn. of Casualty & Surety Companies.

Principal function of the arbitration committees is the settlement of inter-company claim controversies for the 148 participating casualty underwriters. During the past year, decisions were rendered in approximately 800 cases involving more than \$200,000.

### Second Class Graduates

A class of 18 students received certificates upon the successful completion of the Providence Washington second multiple line training school. The course is of nine months' duration comprising over 800 hours of instruction and 15 field trips. The program is under the supervision of Educational Director Edward H. Fleer, and is conducted annually at the home office.

### Maintains Novel Touch

V. Hal Kennedy, assistant secretary of Kansas City Fire & Marine, who contrives each year to introduce an exceptionally novel touch in the annual statement publication of his company, is maintaining his record in that respect with the 1950 publication. He draws liberally on the western range tradition. The cover is of leather and outlining the title "How the Kansas City Rode the Range in 1950" a lariat is stitched on. There are numerous illustrations throughout based on the cow country theme and there is a message from President Morton T. Jones, saying that the past few years have witnessed the emergence of the west

as "the very core around which the economy of our country revolves." Among the captions are: "How All Hands at The Kansas City Worked for you in 1950," "Breaking in New Lines of Insurance," "Getting Ready for the Big Drive Ahead," "The Round-Up of Investments" and "Working the Lode—Your Company's Earnings for 1950."

Engineers of National Board are making a survey of Eau Claire, Wis., to determine whether the city is entitled to better than class 5 rating. The last grading was made in 1935.

### Auto Dealers Lose Another Round in Ohio Licensing

COLUMBUS—The court of appeals here, has refused to continue an injunction issued by the common pleas court, but later set aside by that court, which would restrain the Ohio superintendent from refusing to reissue licenses to automobile insurance agents who had written insurance mostly on automobiles sold by them. The licenses have expired.

Colonial Life has appointed the Nelson & Ward Co. agency of Jersey City as general agents with James E. Barton

as associate general agent. Mr. Barton, an attorney, entered life insurance in the home office of Home Life of New York in 1932 and then entered the field at Newark for that company.

### Upchurch Acting Actuary

G. Rudolph Upchurch, assistant actuary of the Texas department, has been appointed acting actuary to fill temporarily the vacancy left by the resignation of Melvin E. Martindale.

The Jenkins-Moore agency of Denver has moved to a new location at 1644 California street. Thurston H. Jenkins is manager of the insurance department.



G. S. Middleton



"The man's right! There is a gold mine in undersold accounts!"

Finding extra profits is not unusual when the AG-EMPIRE man is on the scene. As our agents will tell you, the AG-EMPIRE man is an agent's man — always ready to pitch in — to help you sell, to advise on rates and forms, to do any other job that requires help or a quick decision. If you are planning to add a company, you'll like the AG-EMPIRE'S friendly, no-red-tape way of doing business.

We're easy to write to.



## Sound U. & O. Discussion at Connecticut Agents' Midyear

The panel at the Connecticut Assn. of Insurance Agents midyear, in Norwich, on business interruption insurance was a good one. F. Chandler Moffatt, Westport, acted as moderator, and the experts were Henry J. Steeneck, New Haven, state agent of Home; J. L. Moffitt, assistant vice-president of Crum & Forster, who used to be in the Connecticut field, and Arthur N. Eagles, director of training of Hartford Fire. The panel covered many points in responding to questions.

Mr. Eagles noted that payment of a loss under an additional living expense cover increases the prestige of an agent enormously.

### For Small Manufacturer

Mr. Moffitt noted that the gross earnings form usually can be recommended to small manufacturing risks if his ordinary payroll is less than 20% of sales; if it is larger, the two item form probably is better. Some manufacturers, of course, do not want to insure ordinary payroll.

The business interruption form has a clear, concise and splendid insuring clause, he commented.

How can the agent quickly and approximately estimate the rate for extra expense cover? Mr. Steeneck replied that a good way is to double the building rate. He warned that the form has a limit per month, 40% the first month, 70% in the first two months, 90% in the first three, and 100% in the first four.

He cited an example to show the credit value of U. & O. A manufacturer in business a short time had a contract with Columbia Record Co. to furnish albums. Two days after the coverage went into effect there was a fire.

He had arranged a meeting with agent and field man to reduce the U. & O. which he did not think he needed in such amount. It turned out he had insufficient coverage on his building and equipment. He was out of business and had to hire an unsatisfactory loft building. To get into it was necessary to install fire escapes, plumbing, etc., to the tune of \$5,000.

While making these preparations, insurer company received a letter from Columbia Record Co. and a bank asking it to confirm the fact the manufacturer had U. & O. Thus his credit was re-established. He kept his contract and he kept a line of credit. Today he is still in business.

### Recommended Amount

How much extra living expense is it proper to recommend? Mr. Moffitt suggested \$1,000, \$2,000, or \$3,000. That is a very useful amount and he doesn't think the agent ought to defeat the sale by recommending too much.

The broad form dwelling cover provides 10% for rental value, Mr. Steeneck commented. However, if there is a total loss, there is no insurance to take 10% of.

Mr. Eagles said it is not necessarily unwise to write business interruption insurance for a term of three years at 2½ annuals, but the business should be reviewed once a year or oftener to keep it up with inflation.

It is not immoral for insured to carry a little more coverage, a cushion, over the coinsurance requirement as figured in the estimate. Many U. & O. losses have a coinsurance deficiency, he said.

Profits and commissions coverage generally is sold to a jobber or selling

agent who does not handle the stock as a merchant or manufacturer. Mr. Eagles noted that the manufacturer's form excludes profits and commissions because finished stock can be insured at the selling price.

If an employer has a union contract under which employees are doing ordinary shop work are they important employees for the purposes of U. & O.? Mr. Eagles thinks the forms are flexible enough to take care of the inclusion of such payroll to the extent desired by insured. Union agreements may call for two weeks severance pay, for example. In that case insured would need enough insurance to cover. Some union contracts call for a minimum annual wage, and the form can insure the effect of this. It is up to insurance.

## Philippines Commissioner Here for N.A.I.C. Parley

SAN FRANCISCO—The many problems involved in establishing one of the largest administrative departments of a newly-born republic were discussed by Ceferino Villar, insurance commissioner of the Republic of the Philippines, during a press conference here. Commissioner Villar, on his first visit to the U. S., is enroute to the meeting of National Assn. of Insurance Commissioners at Swampscott.

Mr. Villar said that for 20 years or so the insurance department had been a division of the treasury department. After the liberation following the last war, insurance was placed under the jurisdiction of the bureau of banking, but in 1949 the department of insurance as such was established. The rules and regulations have been patterned after those in California.

Mr. Villar said he has no power to supervise rates or licenses at this time; although a bill is pending to give the department control over those matters.

The growth of the insurance business since the end of the war has been phenomenal, he said. It has become a 3-billion peso or \$1½ billion business—one of the major enterprises of the republic.

There are 114 insurance companies operating in the Islands, he said—40 are domestic; 30-odd American, and 40-odd companies with home offices in other countries. There are more than 4,000 licensed agents.

Mr. Villar plans to visit several state insurance departments to study their respective methods of operations and to confer with executives of companies doing business in the Islands. He was entertained at a luncheon given by several executives of American International Underwriters.

### Unzicker to America Fore

Willard E. Unzicker, until recently assistant controller of Reconstruction Finance Corp., has joined America Fore. Mr. Unzicker was an auditor for the Federal Land Bank at Houston before joining RFC in 1932.

During the war Mr. Unzicker had an active part in the operations of War Damage Corp. and worked in association with F. A. Christensen and J. V. Herd of America Fore.

## Factory Mutual Units Give Summary of 1950 Results

The Factory Mutual companies, in their financial summary, show that the combined net losses for 1950 were \$15,522,000. The net loss ratio per \$100 insured was 4.5 cents. The comparable figures for 1949 were \$6,865,000 and 2.16 cents. For 1941-50 inclusive, the annual average was \$7,360,000 and 3.34 cents.

The net assets at marked value were \$192,861,000 and net premium deposits \$181,126,000.

The Factory Mutual wind losses were \$4,827,000, of which about \$2,400,000 was attributable to the Nov. 25-26 storm in the east. The fire losses totaled \$6,989,000, U. & O. \$2,338,000, explosion \$537,000, sprinkler \$8528,000; lightning \$125,000; riot and commotion \$98,000, and vehicle \$80,000.

### Propose Long Mo. Recess

JEFFERSON CITY—Democratic caucuses of the Missouri house and senate have voted to recess shortly after June 15 for the summer months, instead of sine die adjournment. The effect will be to keep alive all pending legislation, including the agents and brokers qualification bill, still in the hands of the senate committee on criminal jurisdiction.

A bill that is being blocked in the senate through the efforts of one senator is that sponsored by the Missouri department to require mutual casualty companies to increase their surplus from \$25,000 to \$100,000. The principal opposition comes from a St. Louis man interested in a Negro taxicab company, who contends that the bill would make it impossible for taxicab companies to obtain insurance. The bill is ready for third reading.

### Nashville Board Changes

Nashville Insurance Exchange has voted to change its name to "Insurors of Nashville."

P. F. Donahue, president of Stoughton (Wis.) Assn. of Insurance Agents, addressed the auto drivers' training course there on the various types of auto insurance available and the cost of coverages.

## CASUALTY UNDERWRITER

A man who has had retrospective rating experience in Casualty lines, with a mathematical training to analyze all casualty coverages—30 to 35—college degree—large company—good personnel policy—salary open.

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John Steggles, marine underwriter; Lou Steingraeber, assistant treasurer, and John W. Lamble, manager, North Star, at National Board dinner.

## Travis D. Bailey New Texas Chief

### Association's Annual Meeting Draws 1,208; J. L. Randel Is V.-P.

SAN ANTONIO—At the annual meeting here of Texas Assn. of Insurance Agents Travis D. Bailey of the Lytle W. Gosling & Co. agency at San Antonio was elevated to president succeeding Hollis F. Danvers, Houston. J. L. Randel, Wichita Falls, was named vice-president. Registration was 1,208.

T. D. Bailey

New directors elected were George E. Byrne, Marshall; Wayne O'Keefe, Amarillo, and Forest Pearson, Austin. Holdovers are Charles W. Owen, El Campo; P. D. Moore, McAllen, and Alphonso Ragland, Dallas.

Luther C. Berry, president of the San Antonio exchange, in opening the meeting stated that improvements in the various lines are the result of constructive leadership.

The great responsibility of all segments of the business in Texas was emphasized by Mr. Danvers. Listing as the four integral parts of the business, the companies, agents, assured and insurance department, Mr. Danvers said each must recognize its obligations to the others if the business is to prosper. Basic business integrity, he remarked, goes far beyond merely keeping business operations clear legally. The best service possible must be rendered, he said, rather than the offering of something sub-standard at regular rates for a longer profit.

#### Gibbs Reviews Casualty Trends

J. P. Gibbs, casualty commissioner, reviewed trends in casualty insurance during the last ten years. He pointed out that whereas years ago forecasting rate needs by previous loss and expense costs was successful, the radical departures from normal conditions in the last decade have made rate making a much more involved and difficult task. As an example he recalled an injustice that appeared in the application of workmen's compensation rates made from payrolls in a period in which lower wage levels were paid than in the period in which those rates were used. This brought excessive premiums, he said, and to remedy the situation it was necessary to use adjusted payroll instead of full payroll for both rate making and premium computation.

Mr. Gibbs considers automobile rate making most difficult because of the great many factors to be considered. He stated that post-war conditions in all lines, including general liability, have been found to be wholly different from either pre-war or wartime conditions. He stressed the importance of having the agent explain to the buyer the difficulty in forecasting rates.

Dana J. Lowd, Northampton, Mass., executive committeeman of N.A.I.A., said that no one group in insurance is more important than another. They all have an equal share in making the business great and in combating socialism. John C. Leslie, editor of Insurance Record, gave a vivid picture of socialism in England. He recently spent considerable time in that country.

Norris W. Parker, new manager of Texas Insurance Advisory Assn., Texas Insurance Checking Office and Texas Insurance Forms Department, asked the cooperation of all in building public relations. He spoke of the difficulty in building the type of public relations that will give the public a true under-

standing of the insurance business and acquaint it with its service. He also stressed the promotion of educational movements which will bring better service for all connected with insurance.

J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, warned that the inevitable end of the state moving further into insurance or any other business must be the destruction of free enterprise.

Socialization, he asserted, is being proposed by giving government a clear monopoly in certain forms of insurance or by making certain coverages compulsory, and thus bringing about a public demand for state insurance at a so-called cost price.

All of the forms of insurance now being written by the government are available from insurance companies at rates and under conditions regulated by the states. Government cannot claim, therefore, that it must provide such insurance on the ground that the companies do not write it, that their protection is inadequate or the rates excessive, Mr. Dorsey observed. He warned insurance men against complacency as to legislation, even though many legislatures will not be in session for another two years.

"Selling to Defend America" was the topic of Ralph W. Carney, Wichita,

Kan., retired sales manager of Coleman Co. and a nationally known speaker. He mentioned that insurance, like the industries which produce tangible goods, must constantly improve its service and consequently its sales through new types of coverages and new forms of policies adapted to the needs of the buyer.

Resolutions were adopted expressing appreciation of the work of Melvin J. Miller, Fort Worth, president of N.A.I.A., and Mr. Danvers. Another resolution expressed regret at the absence of William L. Stiles, 86, who is confined to a hospital because of illness. Mr. Stiles was the second president of the association and served two years, 1899 and 1900.

Drex G. Foreman, executive secretary, reported a total of 1,987 paid members, compared with a membership of 1,875 a year ago.

A directors' meeting and the conference for local associations officers, presided over by Chairman Dallas J. Goss, president of the San Angelo exchange, preceded the convention. Local association officers and their wives were guests of Texas Assn. of Managing General Agents at a dinner.

Insurance Women of Seattle heard a talk on interior decorating by Harry Baron, at a dinner meeting. Lt. Dorothy Fields discussed the place of women in the marine corps.



J. F. Deegan, secretary, and O. A. Ogden, vice-president of National of Hartford, Hartford, and E. H. Forkel, vice-president at Chicago, at National Board annual affair.

#### Hike Menasha School Cover

An additional \$140,900 of insurance for the four public schools at Menasha, Wis., will increase the total coverage to \$1,963,600 for buildings and contents. The school board took the action following adoption of an appraisal report made by Strauss-Zahn Co. of Milwaukee.

Harvey F. Jones has purchased the Michaelis agency of Manitou Springs, Colo. Mr. Jones has had a number of years' experience in the local agency field in Kansas and California. Marjorie Haugh, who has been with the agency, will be in charge of the insurance department.

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## NEWS OF FIELD MEN

### Crum & Forster Revises Ohio Setup

Crum & Forster has effected changes in the Ohio field setup.

A. J. Danziger is appointed manager of the metropolitan district adjacent to Cleveland and several counties have been added to his territory. F. M. Reiss, special agent, who has been attached to the Columbus office, is being transferred to Cleveland, and R. E. Davies will remain at Cleveland as special agent. Thus, Mr. Danziger will have two assistants in the future. The remainder of the state is being divided. L. C. Dame, who has been state agent at Columbus, is appointed manager at Cincinnati and will supervise Hamilton county and adjoining counties.

Messrs. Murphy and Leedy have been appointed joint state agents for the remainder of the state. They will continue to maintain headquarters at Columbus.

### Benard Now State Agent

Crum & Forster has promoted L. E. Benard to state agent in South Dakota succeeding Robert Fromel, who

has been transferred to Decatur, Ill. Mr. Benard has been special agent in South Dakota two years. He was in the army four years and was discharged with the rank of major. He then gained experience in the local agency and general agency business before joining Crum & Forster.

### Oklahoma F.U.A. and Fire Preventionists Elect

F. O. Cress, St. Paul F. & M., was elected president of Oklahoma Fire Underwriters Assn. at the annual meeting at Lake Murray Lodge, with Dick Wallace, Royal-Liverpool, as vice-president, and John Benson, reelected secretary. New members of the executive committee are Lynn Gregg, Great American; Perry Jones, Glens Falls, and Dave Dragg, Cravens, Dargan & Co.

Oklahoma State Fire Prevention Assn. elected D. E. Parry, Boston, president; Marvin G. Elkins, Northern Assurance, vice-president, and R. E. L. Mugg, Home, secretary.

At the annual meeting of the public relations committee, it was reported that the committee had maintained an active speakers' bureau program, with a constant flow of addresses before civic

groups throughout the state. John N. Jones, Phoenix of England, chairman of the speakers committee, announced that he had a reserve of 21 speakers available to carry on the work during the coming year.

Walter Dithmer, assistant manager of Western Underwriters Assn., commended the Oklahoma field men as being outstanding in their public relations program and said they had set a goal for other states to follow.

### Two Missouri Field Groups Elect New Officers

The joint annual meetings and outing of Missouri Fire Underwriters Assn. and Missouri Fire Prevention Assn. at Rockaway Beach brought out an attendance of 85 field men and 26 wives. New officers are:

Fire Underwriters Assn.—President, Earl S. Hannan, St. Louis, Western companies; vice-president, Alex B. Young, Kansas City, Hartford Fire; secretary, L. B. Gribble, Kansas City, Royal, and assistant secretary, Agnes L. Murphy, Kansas City.

Fire Prevention Assn.—President, Robert Murdock, Kansas City, National Union; vice-president, Douglas Brooks, St. Louis, Home; secretary, Richard R. Taylor, St. Louis, America Fore, and assistant secretary, Jack Littlejohn, Kansas City, North British.

Both organizations will complete their executive committees at meetings at Jefferson City in July. There were 110 at the banquet. Earl S. Hannan had charge of a quiz program.

### Inspect Milford, Del.

Fire Prevention Assn. of Delaware-Maryland and District of Columbia last week inspected Milford, Del. There were 38 field men participating.

### Promote Ullrich in N. J.

Home has promoted Stanley V. Ullrich to state agent in charge at Paterson, N. J.

Mr. Ullrich joined Home as a special agent at Syracuse. In 1946, he was transferred to the Newark in the same capacity.

### Field Men Show Films

Three film showings were sponsored recently by the visual education committee of Fire Underwriters Assn. of the Mountain States. "Danger Sleuths" was shown before the Kiwanis Club at Riverton, Wyo. "Crimes of Carelessness" and "These are the Facts" were presented at a meeting of the Lyons (Colo.) P. T. A. "Danger Sleuths" and "Crimes of Carelessness" were also shown at the Edison grade school at Denver.

### Turner Is Va. Chief

J. Maurice Turner of American was elected president of Stock Fire Insurance Field Club of Virginia at the annual meeting at Old Point, Va. Vice-president is E. B. Fraley of Agricultural and secretary is A. C. Word of Boston.

### Bailey to Local Agency

Howard W. Bailey, Jr., has resigned as Wisconsin state agent for Atlas to go into the local agency business at LaCrosse, Wis., as manager of the Insurance department of Pettibone Co. After service during the war Mr. Bailey spent 2½ years with Wisconsin Fire Insurance Rating Bureau. He has been with Atlas in Wisconsin for three years. His father, Howard W. Bailey, Sr., is Wisconsin state agent for the Meserole companies.

### Tenn. Field Men to Meet

Tennessee Fire Underwriters Assn., Tennessee Fire Prevention Assn. and Tennessee Blue Goose will meet at Gatlinburg June 13-14. It will be the annual meeting of Fire Underwriters Assn., of

which Mayhew P. Jones, Springfield F. & M., is now president, and the principal address will be by Commissioner Allen. It will be the semi-annual meeting of the fire prevention group with President Kenneth W. Scott, National Union, in charge.

R. Harvey Lewis, Greensboro, N. C., modestly loyal grand gander, will address the Blue Goose and several candidates will be initiated. Wives of the field men will stage a bridge and canasta tournament.

### Holmes Transferred to N. Y.

William B. Holmes, who has been state agent of Buffalo for nine years in New Jersey and New York suburban territory, with headquarters at Newark, is being transferred to New York, handling the suburban field only. He was in New York for 25 years, having been with other companies before joining Buffalo.

He will be succeeded by James H. Caddell as special agent for all of New Jersey with headquarters at Newark.

### C. C. Chandler Joins Hanover

Clifton C. Chandler has joined Hanover as Alabama state agent with headquarters in the Jackson building, Birmingham. He has been at the New York head office and entered upon his duties in the Alabama field on Monday. He has lately been with Aetna Fire in Alabama. He started with Alabama Inspection & Rating Bureau.

### Two Slates for Ohio F.U.A.

Ohio Fire Underwriters Assn., which will hold its annual meeting at Uniontown, Pa., June 13, will select its officers from these nominees: President, Harold D. Smith, Glens Falls, and W. S. Cowan, New York Underwriters; secretary, William A. Gibson, Jr.; George W. Wheaton, Agricultural; executive committee, five to be chosen: Mansell F.

### announcement . . .



Frank M. Mitchell

THE NAPA Insurance Companies in keeping with their policies to maintain a high standard of claim service are pleased to announce the appointment of Frank M. Mitchell as Superintendent of Claims.

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May 31, 1951

Davis, Aetna Fire; P. Paul Desmond, Great American; Glenn F. Graf, Hanover; Walter B. Hilton, National Union; Frank Loehnert, Jr., Great American; Paul E. Smith, American; Franklin Rice, Springfield F. & M.; W. C. Welsh, Hartford, and David Zeiser, Great American.

One of the features will be a discussion in which an insurance buyer, an agent and a company official will take part.

### Ellison Succeeds Meyer

Caledonian has appointed Walter D. Ellison as state agent for up-state New York, succeeding Raymond H. Meyer, who is being transferred to New York City. Mr. Ellison will make his headquarters at Syracuse.

Mr. Ellison has formerly been with Phoenix Assurance and American General as a field man in Texas. He served as an officer in the navy in the last war and has been active in Texas in the various field organizations.

J. B. Wilcox, F.B.I. agent at Seattle, spoke at a dinner meeting of Seattle Blue Goose. The pond will hold its annual meeting June 29 at Inglewood Golf & Country Club.

The annual meeting of Indiana Blue Goose is to be held at Ulen Country Club at Lebanon June 4.

Indiana Fire Prevention Assn. on June 13 will inspect Angola at the requests of Steuben County Insurance Agents Assn.

The ladies auxiliary of St. Louis Blue Goose has elected these officers: President, Mrs. W. G. Kopecky; vice-president, Mrs. W. J. King; secretary, Mrs. William T. Landy, and treasurer, Mrs. Jack Frazer. Mrs. Earl Hannan is the retiring president.

## NEW YORK

### TO TALK ON AUTO

Randolph E. Brown, manager of the Brooklyn office of American Surety, will discuss automobile insurance at the June 7 dinner meeting of Brooklyn Insurance Brokers Assn.

### PRESENT GENERAL'S PORTRAIT

American International Marine agency has presented a portrait of General John H. Michaelis to his mother. This was one of the pictures American International had on display in its window at 102 Maiden Lane, New York City. After inquiry as to purchase by one of his relatives, the organization made the presentation to Mrs. Michaelis.

### REINS CLUB DINNER

M. L. Whitson of Toplis & Harding, New York, discussed the inside story of loss adjusting at the May dinner meeting of the Reins Club. He filled in for H. P. Janisch of Excess Underwriters, who was unexpectedly taken ill in Boston the day before the meeting. The June 29 meeting will be held at Ebbets Field, home diamond of the Brooklyn Dodgers. The annual outing has been postponed from June until September.

### Hold Southern Regional

North American Accident held a southern regional sales conference at Edgewater Park, Miss. Including 13 from the head office, the group numbered about 120. The home office contingent was headed by President George F. Manzelmann, Vice-President Robert D. Wisely and Agency Vice-President S. R. Rauwolf.

### New Vt. Assn. Secretary

Marjorie DeCelle of the Hoffman agency at Brattleboro has been appointed executive secretary of Vermont Assn. of Insurance Agents. Miss DeCelle has been active in association work, having served as secretary to the vice-president and as clerk of the executive committee. She will continue with the agency.

### Cramsie, Laadt & Co. Advances O'Neill, Laadt

Cramsie, Laadt & Co. of Chicago has appointed John J. O'Neill and George A. Laadt as associates with enlarged responsibilities. Mr. O'Neill has been chief underwriter in the agency. He started in insurance with the Cunningham, Davis agency in Chicago in 1926, which was absorbed by O. W. Huncke & Co., with whom he remained until Cramsie, Laadt took over the business in 1932. He will now be engaged in business development.

George Laadt has been special agent since 1945. He is a veteran of both wars and was in the securities business in Chicago up until the last war. He is a graduate of University of Illinois. He is a brother of William J. Laadt, a principal in the firm.

### Announce Virginia Speakers

RICHMOND — Representative Burr P. Harrison of Winchester, Va., will speak at the annual meeting of Virginia Assn. of Insurance Agents at Virginia Beach June 14-16 on "An Application of the American Way in Washington." James D. Arrington, editor of the Collins (Miss.) News-Commercial, will be the banquet speaker.

Other speakers will include Melvin J. Miller, president of N.A.I.A.; Jesse W. Randall, president of Travelers; Claude D. Minor, president of Virginia Fire & Marine, and William H. Sanders, Jr., Richmond local agent. More than 500 are expected to attend.

The Bernard P. Carter local board

cup, the Stock Fire Insurance Field Club of Virginia award for outstanding achievement on the part of a local agent, and the past presidents' award will be presented at the banquet. There will be a cocktail hour at which Norfolk Assn. of Insurance Agents and the Virginia Beach member-agents will be hosts.

### Holds Fire Marshal Can Order Fire Hazard Destroyed

OKLAHOMA CITY — The U. S. court of appeals has upheld the constitutional right of the Oklahoma fire marshal to demand the destruction of a fire hazard. It ruled that the state fire marshal law is valid, and that the city ordinance which gives the building superintendent the right to order demolition of fire hazards is not in violation of the state or federal constitution.

The case grew out of a fire at the Folly theater in 1947. The insurer, American Home, challenged the right of the state fire marshal to order the building demolished as a fire hazard, and refused to pay the \$18,000 policy it held on the theater. The court maintained that a statute that is designed to protect lives and property against the hazards of fire cannot be too minute in its wording but must be general in its nature, leaving to administrative officials the detail of enforcing the general principles.

Attorneys for the insurer indicated that a rehearing would be asked.

### Can't Cover Locker Plants

The Minnesota attorney general has advised Commissioner Nelson that a township mutual may not insure locker plants, but only dwellings, churches and their contents and outbuildings in a town of 1,800 or less.

Maurice S. Tabor, president of Elliott-Tabor agency, has been elected treasurer of the Buffalo Community Chest drive.

### Study Vandalism Coverage

The Denver board of education has been requested to investigate the advisability of adding vandalism protection to present coverage carried. Dr. Kenneth E. Oberholtzer, superintendent of schools, has pointed out that damage by vandals cost the schools in excess of \$5,000 in 1950.



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## L. A. Ins. Day Draws Crowd of 900

LOS ANGELES—With 900 insurance men and women crowding the Biltmore Bowl, and another 100 turned away for lack of room, greater Los Angeles initial insurance day was one of the largest gatherings of its kind. National, state, county and local officials participated, including Commissioner John R. Maloney.

Featured speaker was Maurice Hern-

don, Washington representative of National Assn. of Insurance Agents, who spoke on "Is My Doctor in the House?"

Pacific chapter of C.P.C.U. opened the series of conferences with a discussion of "Multiple Line Underwriting."

"Deductible and Excess Insurance" was discussed by George Neal, and Robert McWilliams talked on "Contractual Liability." He pointed out that most businesses today assume many liabilities without realizing it and care should be taken to make sure that insurance policies cover the situation.

"Use and Occupancy Insurance—Tax Problems," the last of the subjects allotted to C.P.C.U., was handled by Bernard McManus.

"Contract Bond Production" was taken up by Surety Underwriters Assn. of Southern California, with Lowell Blackburn, Hartford Accident, and H. C. Gillespie, U. S. F. & G., leading the discussion.

Mr. Gillespie cited the growth of population in the Los Angeles area and the various types of construction following the accretion of population. Because of the statutory requirement that

contractors for public construction be bonded, plus the fact that much private construction is bonded, huge surety premiums as well as large premiums for workmen's compensation, comprehensive public liability and property damage, contractors' equipment coverage, fire insurance and other lines can be expected.

"Prompt Claims Service on Surety Bonds" was discussed by Attorney Joe Crider, Jr., who said that in fidelity claims interest should be shown in the claim, the claimant consulted. The company must be careful to avoid lawsuits. Contract bond losses also are a headache. In the case of miscellaneous bonds quite frequently the amount of loss is padded, and the insurer is entitled to scrutinize such claims. He advocated giving the claimant the break.

### Cover Comprehensive Liability

Casualty Insurance Assn. of Southern California, assisted by Casualty & Surety Fieldmen's Assn. and William H. Hines, took over the discussion of comprehensive liability. Mentioning products liability hazards, Mr. Hines explained the time of accident is the governing factor as to the application of coverage rather than the time of the manufacture or distribution. He called attention to the common law doctrine used by California and other states that the plaintiff has the right to elect who shall pay damages after a judgment is rendered in his favor.

W. J. McKinnon discussed "Protecting Business Against Criminal Losses," and brought out facts relative to the 3D policy.

Frank Colridge, general manager of the Pacific Board, speaking on "Service Beyond the Policy," said that those in the insurance business are too prone to emphasize the cost of insurance, and fail to emphasize the services rendered. When the insured buys a policy he thinks that is the last he will see of his agent. He does not realize the research that has gone into the form of the policy to make it effective to the buyer.

Howard E. Nevenon opened the pro-

(CONTINUED ON PAGE 12)

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Alfred Senn, Clifton, past president of New Jersey Assn. of Insurance Agents; Felix Hargrett, vice-president, and Leonard Peterson, vice-president and comptroller of Home, at National Board dinner.



John Rygel, vice-president of Hanover; Clinton L. Allen, president Aetna Fire group, and J. K. Hooker, vice-president of Automobile, seen at National Board dinner.

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### **High Court Favors Agent**

Washington supreme court has upheld a verdict in favor of Alva Roberts, Tacoma local agent. Roberts sued an insured, Joe Sunnen, for \$5,328 in premiums due him. Insured filed a cross complaint for \$6,000 alleging that Mr. Roberts had failed to secure the cheapest and best coverage available. Specifically, the allegation was that Mr. Roberts had failed to write assured's P.D.L. on a \$100 deductible form. Sunnen is a trucking operator.

The court held that the allegation that Mr. Roberts had not acted in "good faith and reasonable diligence" was not at issue since no showing had been made that the deductible form was available at the time the policy was written.

### **New Colby Board Elects**

Officers of the newly formed Colby (Kan.) Insurance Board are W. G. Shatz, president; L. A. Bruggeman, vice-president, and Charles A. Schieben, secretary. Mr. Schieben is serving his second term on the executive committee of the Kansas association.

### **Springfield, Mass., Panel**

Members of Springfield Board of Fire & Casualty Underwriters met with a panel of field men of Western Massachusetts Field Club for an educational meeting. The meeting was one of a series being sponsored by Massachusetts Assn. of Insurance Agents.

On the panel were Robert E. Burnham, Phoenix-London; Peter Coyne, London & Lancashire; Floyd C. MacGregor, Hartford Fire, and Howard P. Forbes, North America. Moderator was Arthur H. Clarke, educational director of Springfield F. & M.

### **Cassar Speaks at Scranton**

G. Douglas Cassar, district secretary of the Middle Department, addressed a dinner meeting of Lackawanna Valley Underwriters Exchange at Scranton, Pa., on clauses and endorsements commonly used.

### **Resources Are Expanded**

Capital of American Universal of Providence has been increased from \$200,000 to \$250,000 and \$32,500 was contributed to surplus. Additional \$10 par value stock was sold at \$16.50 per share.

### **Baker Richmond President**

Howell M. Baker has been elected president of Richmond Assn. of Insurance Agents. He succeeds Henry G. Coghill. E. D. Turner, Jr., becomes vice-president, and W. H. Sanders, Jr., secretary.

### **New Bureau Members**

National Bureau of Casualty Underwriters has elected to membership the fire companies in the Commercial Union, Loyalty, Royal-Liverpool, and Travelers groups.

### **N. C. Women's Group Elects**

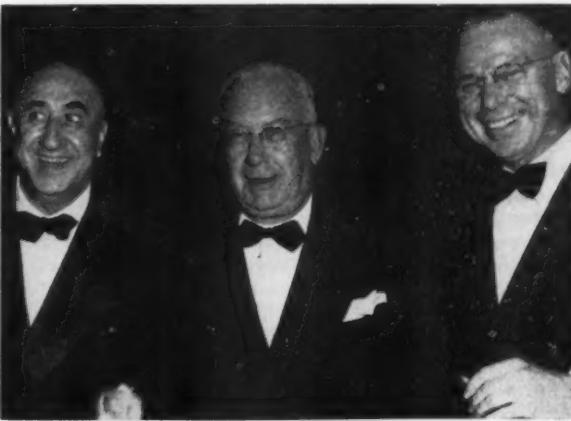
GREENSBORO, N. C.—North Carolina Assn. of Insurance Women at its annual meeting here elected Mrs. John W. Trimble of Greensboro president. She succeeds Miss Catherine Pittman of Raleigh.

Mrs. Robert W. Steagall, Charlotte, becomes 1st vice-president; Mrs. Paul Leonard, Raleigh, 2nd vice-president; Mrs. Clyde Robinson, Greensboro, secretary; Mrs. William M. Whisnant, Charlotte, treasurer, and Mrs. W. C. Guthrie, Burlington, assistant secretary.

### **Ohio Reserve Bill Gets O.K.**

The Ohio senate insurance committee has recommended for passage a bill relative to unearned premium reserves on a pro rata basis. As to fire insurance, a company may at its option maintain a sum equal to 50% of the whole amount

Philip J. Priore, U. S. manager of Sun; F. Elmer Sammons, president Hanover, and W. M. Kearns, president of Sun Indemnity, at National Board banquet.



of premiums, received and receivable, on unexpired risks and policies running one year or less from date of policy.

In the case of marine insurance, premiums on trip risks not terminated shall be deemed unearned and the superintendent of insurance may require a reserve to be carried thereon equal to 100% of the premiums written on trip risks during the month ended as of date of

statement.

The senate has passed a bill increasing workmen's compensation benefits and the judiciary committee has recommended bills permitting counties to buy burglary insurance and making subdivisions liable for automobile accidents.

The house insurance committee has reported out a bill for a limited license for travel insurance agents.

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## EDITORIAL COMMENT

### Does U. & O. Need a Junior Size?

Business interruption insurance is 40 years old. Every now and then the question arises, why is it not sold in greater volume? It is unquestionably a coverage that has or should have strong economic and personal appeal to the business man. Yet in volume it represents less than 3% of combined fire and U. & O. premiums.

With so great a potential, particularly in the small business field, some observers would like to see a more rapid development of the market. In discussing the slow growth of U. & O. they point to the fact that the coverage and its underwriting have been developed into a highly technical process at the home offices of companies that do a good job in this field.

They say that less than 25% of retail merchants have purchased it. Perhaps it has become too technical, it has developed as a specialized form for the larger insured, whereas it may be possible that a simpler, less expensive form, could be sold in volume. One suggestion is to write it as an endorsement to a policy covering merchandise stocks, so that it can be easily sold to merchants on Main street. Or, it might be included as an item in the form, much as rental value is included in the dwelling form and in some forms of mercantile coverage.

It is even suggested that it could be written as a form of profits insurance, eliminating fixed charges and expenses. Thus the business might have a senior and a junior size U. & O. policy. As an addition to the mercantile stock form, expense would be reduced, there would be less sales resistance than agents encounter with the sale of a separate

form, and the risk could be split in several companies if the basic cover is divided between several companies.

The technicalities of business interruption have been devised for large or unusual or complicated business and manufacturing enterprises that are complicated. The amount of time that has been spent on it by company committees, over and above the time spent by home office experts, they suggest, entitles the coverage to a better success.

Many business interruption underwriters do not believe that fixed expenses and charges can be separated from profits in the computation of rates, that to do so would endanger the entire business interruption rate structure which has been carefully developed over many years. This is because the net profits are lost first and a net profits only coverage would increase the frequency and certainty of loss. In many cases, insurer pays a loss on net profits but there is no loss or a minor one with respect to fixed charges and expenses.

There is much argument pro and con and those in the field can marshal convincing facts, figures and judgment to back up their points of view. However, the very fact that the discussion continues is a good augury. More of the coverage is being sold to the smaller merchants as time goes on. But it seems to an outsider that the coverage has such excellent points to commend it, any business man vitally concerned with the future of his enterprise should have it. Perhaps a way will be found eventually to insure many more businesses against the risks covered under this contract.

## PERSONAL SIDE OF THE BUSINESS

**Charles J. Smiricky**, Cook county adjuster with Home, was married May 26 to Miss LaVerne Kuntz of Cicero, Ill. Mr. Smiricky before going with Home was with Western Adjustment at Michigan City, Ind., and he has two brothers with Western—R. F. Smiricky, who is at Joliet, and a twin brother, H. A. Smiricky, at Dearborn, Mich.

**Robert Hosmer**, former president of Excelsior of Syracuse, has returned to that city from a winter in Nicaragua. This is the third winter that he has stayed in that country. Enroute home he visited in Guatemala for two weeks and then had a visit at Decatur, Ill., with Corey Nicholson, prominent local agent.

**Clarence S. Pellet**, for many years head of the Critchell-Miller agency of

Chicago and a resident of River Forest, Ill., will be honored by Beloit College at the commencement exercises June 10. He will be one of five nationally prominent men to receive the LL.D. degree. Mr. Pellett, with 50 years of service on the board of Beloit College, is the "dean" of the trustees. A graduate in 1886, he will celebrate the 65th reunion of his class, of which he is secretary.

**Irby Bright**, local agent, has been elected president of Nashville Lions Club.

**Jule M. Hannaford, Jr.**, resident vice-president of Marsh & McLennan, St. Paul, has been reelected treasurer of the Episcopal diocese of Minnesota.

**Miss Ronnie Halkenhauser**, who is with the public relations division of National Board, and Robert Wacker of

the New York City staff of United Press, were married there. Mrs. Wacker will continue with National Board.

**L. M. Gauvreau** of Tampa, state agent for Crum & Forster, has returned to his field after a short tour of active duty with the army.

### Logan Joins Atlas as State Agent in Wisconsin Field

Millard H. Logan has been named Wisconsin state agent of Atlas to succeed Howard W. Bailey, Jr., who has gone into the local agency business.

Mr. Logan has been in the Wisconsin field for several years with Fireman's Fund as special agent and before that was with Wisconsin Fire Insurance Rating Bureau. He was in the navy during the war.

### Complete Glenwood Card

With the addition of three speakers, the program has been completed for the convention of American Assn. of Managing General Agents at Glenwood Springs, Colo. June 11-13. Melvin J. Miller of Fort Worth, president of N. A. I. A., has been signed up for a talk on "Is Private Enterprise a Good Risk?" William B. Sanborn of Denver, president of Colorado Assn. of Insurance Agents, is down to extend greetings, and Fred W. Westervelt, Jr., public relations director of General Adjustment Bureau, New York, speaks on "The Impact of Equitable Adjustments."

The group will be taken by special train to the old mining town of Aspen, and upon return there will be a barbecue at Glenwood Springs.

## DEATHS

### Carl Lawton, Famed St. Louis Agent, Dies

Funeral services for Carl S. Lawton, president of the Lawton-Byrne-Bruner agency of St. Louis were held Monday at University City.

Mr. Lawton, who was 72, died at St. Luke's Hospital of complications



CARL S. LAWTON

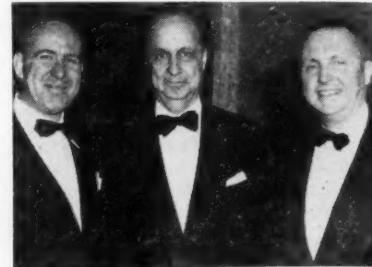
that followed an abdominal operation the week before. He had been in ill health three months.

He became head of the agency, which is the largest general insurance agency in the St. Louis area, about 15 years ago, and was regarded as one of the nation's outstanding agents for many years. He entered the business on a part-time basis while attending Princeton, devoting his summer vacations to soliciting business under the guidance of his father, the late Joseph E. Lawton. He liked to tell how he rode a bicycle to the scene of fires, especially in residential areas, to solicit business in the immediate neighborhood. He wrote many policies in that way. He and his father were associated with the Charles L. Crane agency prior to the formation of their own agency, J. E. Lawton & Son, after Carl's graduation from Princeton.

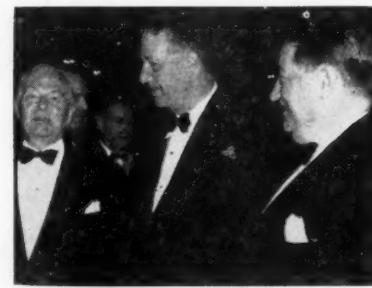
J. E. Lawton & Son was later merged with other agencies to form the present Lawton-Byrne-Bruner agency in 1914. His father was made president of the new agency, and Carl Lawton general manager. Upon the death of Joseph E. Lawton, William M. Byrne became president. Fifteen years ago Lawton was made president when Byrne was elected chairman.

For years Mr. Lawton was listed by the Treasury Department as one of the highest salary earners in the eastern Missouri district. In 1946, for instance, his income was listed at \$118,494.

He was president of the old Missouri Insurance Council for many years. He was a former president of Insurance



W. F. Delaney, Fairfield & Ellis; Richard V. Goodwin, Fireman's Fund group, and George Traver, National Board, at latter's annual dinner in New York.



Thomas Watters, New York attorney; H. D. Rice, manager New York Fire Insurance Rating Organization, and J. M. Fraser, vice-president London & Lancashire Indemnity, at National Board dinner.



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## L. A. Insurance Day Draws Crowd of 600

(CONTINUED FROM PAGE 8)

gram allotted to A. & H. Managers Club with a discussion of "Policy Forms and Provisions." He declared that probably the most important provision in the policy is the fact it will replace a portion of the man's income during the continuance of his disability. The lack of knowledge relative to A. & H. coverage has created fear on the part of the average broker, he said.

Walter Schmitz gave a talk on "Selling A. & H. Under Today's Conditions," and the film "Really Selling Needs by Passing Sales Resistance and Mental Attitudes" was shown.

Carl Small, L. Cecil Simpson, Carl M. Molitor and Arne Ulvila for Southern California Fire Underwriters Assn. put on a skit based on "Getting the Most from the Fire Companies." Representing the property owner, the local agent, the special agent and the engineer, they showed how improvements suggested to the property owner and the occupant of a building would bring benefits.

Insurance Women of Los Angeles, in their session, described "In Service Training."

"Fire Insurance Rating Since 1948" was the topic of Joseph T. Silveira and George M. Powers of Pacific Fire Rating Bureau. Mr. Silveira summarized the work of the bureau, and Mr. Powers told of the accomplishments of the bureau.

Roy O. Elmore of Fire Underwriters Assn. of the Pacific discussed the future education program of F.U.A.P. and said that this activity has resulted in good public relations.

### Surplus Lines Problems

Malcolm Craven, speaking on the "Surplus Lines Problems," after reciting the facts leading to the formation of Surplus Lines Assn. pointed to the cooperation among admitted carriers, Lloyds, the association and the department, which resulted in Lloyds agreeing to accept no California business save through a licensed surplus line broker.

The National Safety Council's part in the program was handled by Miss Essie Elliott who said Los Angeles is the only city that conducts a continuous month-by-month safety campaign.

"Insurance Claims" was discussed by

## Ledbetter Agency Has Own Building



The Ledbetter Insurance Co., prominent general agents of Oklahoma City, has moved into its new building at Third & Broadway. This is a two-story colonial style structure 50 x 75, with parking area in the rear.

Dignitaries attending a dinner party of the agency in connection with the move are shown here:

From left: George Wagoner, Automobile, Dallas; A. M. McMakin, manager Aetna Casualty, Tulsa; Bob Blacklock, marine supervisor Home, Houston;

Emory L. Smith, attorney Aetna Casualty, Tulsa; E. R. Ledbetter; Gordon Kellner, manager Aetna Casualty, Kansas City; Doyle Colvert, Campbell, Mallory & Colvert, Little Rock; Bill Gracey, manager Aetna Casualty, Dallas; John Bosdett, L. & L. G., Kansas City; A. D. Langham, Langham, Langham & Burnett, Houston; R. C. Larson, field supervisor Aetna Casualty, Hartford; Donald F. Dickey, Oklahoma insurance commissioner; Dick McLarry, Richard H. McLarry & Co., Dallas.

Ted Hay, president of California Assn. of Independent Adjusters.

Marine Underwriters of Southern California showed the film, "Cargoes for Peace," and Kenneth F. MacKenzie gave an interesting talk on "Diamonds and Colored Gems."

"Common Ground in Insurance Inspection and Fire Prevention Enforcement" were outlined by Assistant Chief Engineer Henry R. Boone and Captain Harry E. Pitts of the Los Angeles fire department.

## Six Midwest States Give O.K. to Additional E.C.

Indiana and Michigan have approved the new additional extended coverage endorsement, bringing to six the number of states in the middlewest that have put the O.K. on this new form. The others are Tennessee, Missouri, Kentucky and Ohio.

### Rice to Boylston Agency

Edward Rice, who was assistant Boston manager of Preferred Accident, has joined the Boylston agency of Boston.

The Montana State Board of Examiners has voted to increase valuations of state property covered by insurance by 20% over 1948 figures.

## WANT ADS

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Walter Owens, president U. S. Casualty; T. A. Long, vice-president National of Hartford group, and J. K. Battershill, manager Swiss Reinsurance, at National Board dinner.

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## A. & H. Escapes Destructive Regulation, Gives Greater Service to Insured

The phenomenal growth of A. & H. insurance in the past decade is no freak, no accident, but is because it has improved its product in that time more than has any other line of insurance, J. Milburn Smith, first vice-president of Continental Casualty, told Chicago A. & H. Assn. at its annual banquet in his talk on "You're Better Than You Think."

Stating that he was using his own company's figures because similar data are not available for the business as a whole, Mr. Smith said that when he entered A. & H. work 26 years ago his company could barely afford a 40% loss ratio without losing money. It took 60 cents out of the premium dollar to distribute 40 cents back to the less fortunate who were obliged to make claim. In 1940 its efficiency had improved enough that it could and did return 50 cents on the dollar and in 1950 the expense ratio was down to 40%, allowing 60% for claims.

### No Increase with Inflation

He declared further that the companies are still continuing policies 20, 30, 40 years old at the same rate, without passing on a penny of the tremendously increased costs of doing business; they have absorbed all of the increased costs resulting from inflation without passing any of it on to the public. "We have not raised prices, but instead have improved our services for the same price." On the basis of the figures he had cited, Mr. Smith declared that the A. & H. buying public is getting 50% more for its money this year than it did 26 years ago, and 25% more than it did only 10 years ago. "Honestly, now," he asked, "can you think of another business that can make this claim?"

He said A. & H. has reason to be thankful for the fact that to date at least it has not been regulated as much by the various insurance departments and other governmental authorities as have several other lines of insurance.

### Sees "Mess" in Casualty Field

"So far, strict and oftentimes stupid rules and inflexible rating making formulas as a substitute for good, sound judgment have not been forced upon us. Imagination, inventiveness, common sense is not verboten in the accident and health business. Oh, sure, I lose my temper a couple of times a month when we try to work out an unusual accident coverage, to fill a special need, only to find that an inflexible and unimaginative insurance code prohibits an American company from handling an American risk, thus forcing a perfectly sound and logical but unusual piece of business to Lloyds of London. But the sympathetic attitude of quite a few insurance departments on these occasions is heartening."

### Pitiful, Almost Criminal

He declared that it is "pitiful, almost criminal," to see the mess into which rate regulation "and other unimaginative regulation" has gotten casualty insurance, referring particularly to the liability lines. "You would hardly believe the staggering losses that the casualty industry excluding A. & H. is currently suffering. My friends on the liability side openly predict that the casualty industry as a whole is headed for the worst year in its history from a loss standpoint. But the formula calls for the rate to be promulgated on the basis of at least three years' experience. No, you mustn't use judgment—instead, you must follow the formula and lose your shirt."

"If we in the A. & H. business are allowed to continue to use our imagination and be practical, my statement that hardly a beginning has been made in our business will be proven true."

Speaking of some of the unusual risks



Clayton F. Lundquist, Lamb, Little & Co., retiring president of Chicago A. & H. Assn., making presentation at its annual banquet to Frank A. Post of THE NATIONAL UNDERWRITER.

his company has written, he said it covered the test pilot who flew the first plane faster than sound, but that he didn't worry as much about that case as he did when it wrote a \$25,000 accident policy for International Telephone & Telegraph Co. in favor of Robert Vogeler, "while he was still in the hands of the Russians and we didn't even know whether he was dead or alive."

Frank J. Bartsch, chief deputy of the Illinois department, paid tribute to A. & H. as an important segment of insurance and read a message from Insurance Director Day in which he spoke especially of the great improvement in the recognition of its public service function.

E. H. O'Connor, Insurance Economics Society, gave a review of 1951 legislation.

Guy E. Reed, executive vice-president Harris Trust & Saving Bank and president Chicago Assn. of Commerce speaking on "Is Continued Inflation Inevitable?" said it could be curbed but that it would involve reducing living standards to some extent, less building, drastic curtailments in many lines and governmental economy.

### Hartford Boiler Ranks 43 in Premium Score

By inadvertence Hartford Steam Boiler was omitted from the list of 50 casualty company leaders in point of net premiums written in 1950 that was printed in THE NATIONAL UNDERWRITER of May 17. With writings of \$15,439,896 Hartford Steam Boiler ranks 43rd among the stock casualty companies. With this insertion, American Fidelity & Casualty becomes No. 44, U. S. Guarantee 45, Bituminous Casualty 46, National Casualty 47, London Guarantee 48, Manufacturers Casualty 49, Pennsylvania Manufacturers Casualty 50, and United Pacific 51.

### King to N. Y., Templeman Employers Colo. Manager

William S. King has been appointed assistant resident manager of the Employers group at New York. He has been resident manager in Colorado since 1946. He joined Employers in 1934 and has had wide experience both in home office and field.

Lawrence I. Templeman becomes resident manager and Richard W. Root assistant resident manager of the Colorado department.

Mr. Templeman joined Employers in

### Stassen Booked as N.A.I.C. Speaker

BOSTON—Harold E. Stassen, president of University of Pennsylvania, is scheduled to address the convention of National Assn. of Insurance Commissioners at Swampscott next week.

Total attendance will be nearly 1,000. On Sunday, the conventioners will attend the Boston Pops concert; Monday night, a reception is scheduled. Tuesday evening, the group will hear Mr. Stassen. Entertainment for wives includes tours to the Lexington-Concord area and the North Shore.

### Amer. Casualty Moves to Larger Chicago Quarters; Carpenter Regional V.P.

American Casualty has moved its Chicago office into larger quarters in the Insurance Exchange building and has announced the appointment of A. B. Carpenter as resident vice-president there. Mr. Carpenter's appointment is in addition to the present managerial setup, which includes William S. Synan as manager and Leslie F. Stailey as assistant manager.

Mr. Carpenter started in the business in 1924 at Philadelphia as an underwriter with Maryland Casualty. He then for eight years with with Curtin & Brockie at Philadelphia, going with American Casualty in 1938 as a supervising underwriter at Reading. He later went to Pittsburgh as manager and in 1949 was named to a similar position at Reading. In its new office the company has consolidated the claims and underwriting departments, which heretofore had been on separate floors in the Insurance Exchange building.

### Reach Agreement on Auto Club Assigned Risk Quota

LOS ANGELES—California State Automobile Club Interinsurance Exchange, has agreed to accept from the assigned risk plan double its regular monthly quota of assigned risks each month until it has assumed its full proportion of such risks. Also it has agreed to pay all assessments it has been charged with since its refusal three years ago to become a signatory to the plan. This action came at a meeting of the governing board of the plan held at San Francisco.

Unofficial estimates are that with the assumption of this quota it will require some two years until the exchange reaches parity with other members.

The U. S. Supreme Court recently held that the exchange could not keep out of the plan despite the fact that to take assigned risks means insuring motorists that are not members of the auto club.

### Stewart, DeVoto at L. A.

LOS ANGELES—Bert Stewart, National Automobile Club, spoke at a meeting of Insurance Brokers Exchange of California, Southern California chapter, paying tribute to insurance as an exponent of private enterprise with its main thought to serve the public.

Al DeVoto, vice-president of the exchange, spoke on the legislative situation, devoting practically all of his talk to the fiduciary bill and pointing out three ways in which the producer can comply with its requirements.

1937 and after completing a training course at Boston he became special agent at New York. In 1948 he was made manager of the White Plains service office and in 1950 agency supervisor at New York.

Mr. Root has been serving as chief underwriter in Colorado.

### Ask Loss Training of Agents in Case of Catastrophes

Conn. Agents at Midyear Also Seek La. Policy. Broader E. C.

By KENNETH O. FORCE

NORWICH—Connecticut Assn. of Insurance Agents at its midyear meeting here adopted three resolutions.

One called for the immediate adoption of a plan for training agents to handle losses in catastrophes similar to that which occurred last Nov. 25 in the northeast. That catastrophe, the resolution pointed out, showed the need of a predetermined plan for handling losses when they occur in such tremendous quantities. A copy of the resolution is being forwarded to Eastern Underwriters Assn.

Because of the increased cost of agency management and the higher cost of detailed work in conducting an agency it is imperative to reduce costs and increase efficiency; consequently, the association favors combination of endorsements and forms and called for immediate adoption by the New England Land Fire Insurance Rating organization of the Louisiana-type policy.

### Want More Competitive E. C.

The association previously by mail vote had come out against the additional extended coverage endorsement. The resolution adopted at the midyear stated that in view of the growing interest by the public and banks in a broader extended coverage, continued study of a more comprehensive and competitive form is essential. This recommendation is being forwarded to Eastern Underwriters Assn.

Almost 350 registered for the meeting, which is a new record. The meetings of the group for the past two or three years have each established new highs of attendance, and much credit for this is given to the work of Executive Secretary W. Harry Wiley.

### Bliss' Administration Report

A lot of effective work has been done by the association since its last annual meeting, President Philip Bliss of Middletown stated in his administration report. He praised highly the work of his 12 committees and their 70 members, including representation from all 27 local associations in the state.

The bill in the state legislature to set up a New York type automobile financial responsibility law had passed the house the day preceding the meeting. Agents have conferred with the governor on non-occupational disability legislation, and an interim commission is likely to be appointed to study the problem. There also has been a conference with the governor and commissioner on recodification of the insurance laws and conferences with the governor and comptroller and others on the association's plan for handling of state insurance coverages.

### Support M. V. Inspections

The agents' legislative committee favors a bill that would tighten the controlled business law to make it obligatory for an agent to write 75% of his business on members of the public and also make it mandatory for the commissioner to give written examinations

(CONTINUED ON PAGE 20)

SALES IDEA  
OF THE MONTH

## Developing Accounts

Are you passing up premiums by confining your "account selling" efforts to larger risks? The same selling principles will also produce results when applied to smaller risks.

Insurance buying is influenced less by "ability to purchase" than by "understanding of coverage," according to a recent account-analysis of 24 representative agencies. Other surveys have shown that the average small risk is often underinsured or may even lack entirely such coverage as liability or residence theft.

Don't let these premiums go begging. Discuss with your smaller risks the desirability of *tailored protection*. Explain why certain added or supplementary coverages are advisable.

Ask your Zurich-American field man for other practical sales ideas that will result in more business for you.



**ZURICH-AMERICAN**  
INSURANCE COMPANIES



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E. A. Meyers of the Chicago law firm of Ekern, Meyers & Matthias, at the meeting of Midwestern Independent Statistical Service at Chicago, with Lester Menegay of American Reinsurance.

## LANDMARK OR MOLEHILL? Role of Travelers Health Decision Is Dissected

The U. S. Supreme Court decision in the Travelers Health case clearly upholds the power of the state to prescribe valid regulations applicable to mail order insurance but it remains to be seen whether the decision is a landmark of constitutional law or merely one later to be referred to by the court as restricted to the particular facts, said S. R. Ogden, general counsel of Commonwealth Life, in a paper read at the spring meeting of the Assn. of Life Insurance Counsel at Hot Springs, Va.

Mr. Ogden pointed out that the majority of the high court upheld the power of the state of Virginia, through constructive process duly authorized by statute, to impose in a binding way a restraint upon a non-resident mail order insurer against violating the insurance regulations of the state.

### Cites Four Dissents

"On the other hand," he added, "four of the justices unqualifiedly take the position that a judgment in personam cannot be rendered against a defendant brought before a court only by process served or delivered outside the jurisdiction of the state; and with that view as applied to an action other than one by the state to enforce its regulatory powers by injunctive process, a fifth member of the court, Mr. Justice Douglas, seems to concur."

Mr. Ogden said it is fair to say that the Supreme Court's opinion, aside from Douglas' statement that "the type of problem presented requires a more selective treatment," is authority for the validity and binding effect of process served in accordance with statutory provisions similar to those found in the uniform unauthorized insurers process act.

### Further Relaxation Possible

Mr. Ogden said it may be that the desirability of permitting an insured to enforce his contract rights in the courts of the state of his residence will influence a further relaxation of the definition of what constitutes doing business within a state, at least with respect to insurance companies.

"A departure from the requirement of service of process within the jurisdiction in order to render valid any decree in personam will find greater favor with those particularly interested in effective regulation of corporations engaged in the mail order insurance business than with lawyers representing generally corporations engaged in other lines of endeavor," he stated.

### Vernon General Sessions

Vernon General of Indianapolis is holding the last of a series of six regional gatherings and luncheons for agents June 7. This will be in Indianapolis and the luncheon group is expected to number about 100. The other luncheons were attended on the average by about 60 and were held at Richmond, Terre Haute, Huntington, French Lick, and Valparaiso.

At these occasions the agents have an opportunity to get better acquainted with the home office people. There is to be another series of meetings in the fall at which specific subjects will be covered.

Leslie C. Everson, manager of the agency department, presides at these get-togethers and the head office people on hand include Russell Thiel, manager of the underwriting department; K. E. McMillan, claims administrator, and Paul E. Jack, vice-president and general manager.

Following the death of Jack Kerns, Oklahoma City local agent, Mrs. Kerns has announced that the agency will be continued under the same name.

## WOLVERINE INSURANCE COMPANY

It's a Fact . . . . .

**Wolverine Agents Hold Their Renewals**

**Join us — and "Sell Wolverine"**

**BATTLE CREEK, MICHIGAN**

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# Group Hospital, Medical Catastrophe Cover Coming

DENVER — Insurance against group catastrophic hospital and medical expenses is going to be a big development of the near future, to judge from the interest shown in the coverage at the western meeting of Society of Actuaries.

M. L. Grover of Johnson & Higgins of California, San Francisco, said such coverage is a necessary step in forestalling socialized medicine.

W. G. Schneider, Bankers Life of Iowa, said his company has been experimenting with catastrophe coverage. He favored increasing the amounts of the deductible and the coinsurance in line with increasing income of the insured.

E. B. Whittaker, Prudential, discussed catastrophe insurance at some length but specified that it be off the record.

## Trade Association Experience

In the discussion on industry-wide group plans covering employees of many employers some of the points brought out were these: Occidental of California feared anti-selection when it first wrote trade association groups but experience has been good. Prudential has found that a local trade association is much closer to the local employers than is a national association and can help put a plan across. On the other hand, with a national plan, the board of trustees may be so large as to be unwieldy and they cannot be counted on to help enrollment. Where more than one local of a union is involved, there is apt to be friction, as each local wants to have control. There is a tendency of attorneys to tie things down too tightly in trust agreements. Some things should be left for the trustees and the insurer to work out and agree on. It should not be mandatory to have the signatures of too many trustees in making changes. Insurance company participation in drawing the trust agreement will save much time and trouble later.

## Midget Group Problems

With group casualty coverages of less than 25 lives Lincoln National has had no technical problems, the main difficulty being to write and service these problems within reasonable expense limits. Loss ratios have been about the same as under the larger groups, and the same 75% participation is required on these groups as in the larger ones.

California-Western States Life issues down to 10 lives and has done so at low cost under the California unemployment compensation disability law. Because of the compulsory feature, the company has developed "canned" plans to reduce expense. It has come to light

that employers often become interested in a group casualty plan because they know of some latent claim. This indicates the desirability of the company being able to exercise selection, as with wholesale life.

London Life requires evidence of good health in the less-than-25 groups. Adverse selection is found frequently in smaller groups. Experience has been good, slightly better on both A. & H. and life than on the larger groups.

## Hospital Insurance Package

Occidental of California has introduced a hospital insurance package on which the agent gets a collection fee for servicing the case but it will take time to learn whether the agents will service the business properly, although the company is optimistic on this point.

Metropolitan Life has found there is a marked upward trend in the claim frequency rate and claim costs under hospitalization, one reason being the postwar rise in the birth rate, with consequent greater number of dependents

per employee. Also there is quite a tendency for certain types of conditions to be treated in a hospital because of the existence of hospital coverage. Evidence is that premiums may have to be increased.

## Claim Managers Plan Meet

Claim Managers Council of Independent Casualty Insurers will hold its summer meeting at Wagon Wheel Lodge, Rockton, Ill., June 18-19. This is an organization of middlewestern independent stock company men.

The program includes talks by David M. Burrell, Freeport attorney; Robert D. Denton, Wolverine; John Joyce, Capitol Indemnity, and Paul Risher, Hawkeye-Security.

## Hold Regionals for Agents

Maryland Casualty has completed a series of regional meetings for agents in Tampa, Orlando and Jacksonville, Fla., Grand Rapids, Detroit and Pittsburgh. About 500 agents attended the meetings, which were conducted by a group of home office executives and underwriters.

Among those who participated were F. John Barclay, vice-president, who spoke at Pittsburgh on fire insurance; J. H. Kerr, assistant agency director,

who outlined garage liability problems; A. J. Lilly, Jr., assistant manager of the A. & H. department; T. B. McMath, director of the boiler and accident prevention division; J. E. Packard, boiler underwriter; C. H. Peterson, assistant vice-president; A. H. Walker, manager of the bonding division, and James F. White, advertising director.

## Maryland Casualty Goes on \$1 Dividend Basis

Maryland Casualty has increased its semi-annual dividend to 50 cents a share. This is an increase of 10 cents over the previous rate and indicates an annual distribution of \$1 per share. The dividend is payable June 30 to stock of record June 8.

## Auto-Owners Opening

Auto-Owners of Lansing is having brief ceremonies to mark the official opening of its new home office building at 303 West Kalamazoo street June 4, and the guests will have a buffet luncheon immediately following.

**Insurance Women of Los Angeles**  
elected these officers: President, Eva Smith; vice-president, Lucretia Pierce; secretaries, Ellen Kyle and Kathryn Hatfield; treasurer, Mary Dickey.

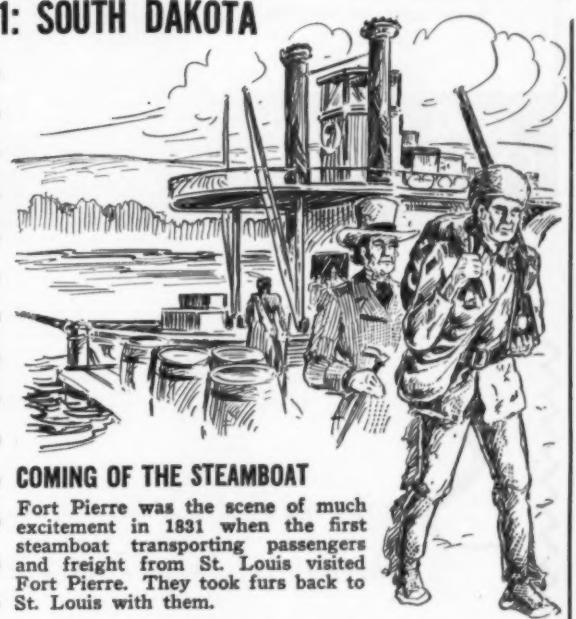
## HIGH SPOTS IN HISTORY



### FRANCE CLAIMS TERRITORY

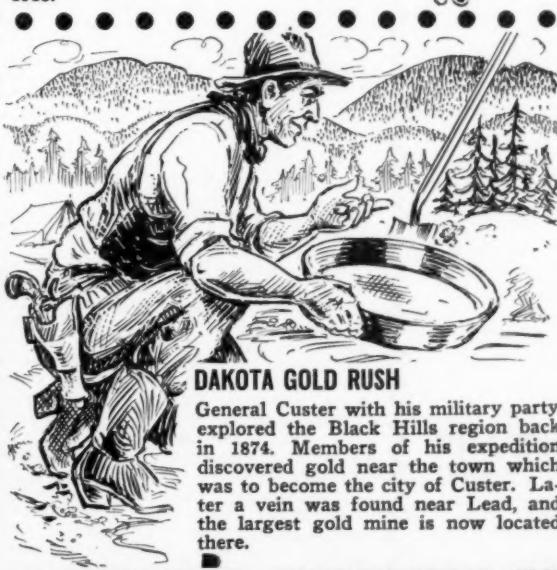
A Frenchman by the name of Francois Verendrye visited South Dakota in 1743. With him was his brother and two trappers. At the present site of Fort Pierre they buried a plate claiming the territory for France. School children uncovered the plate in 1913.

## 11: SOUTH DAKOTA



### COMING OF THE STEAMBOAT

Fort Pierre was the scene of much excitement in 1831 when the first steamboat transporting passengers and freight from St. Louis visited Fort Pierre. They took furs back to St. Louis with them.



### DAKOTA GOLD RUSH

General Custer with his military party explored the Black Hills region back in 1874. Members of his expedition discovered gold near the town which was to become the city of Custer. Later a vein was found near Lead, and the largest gold mine is now located there.

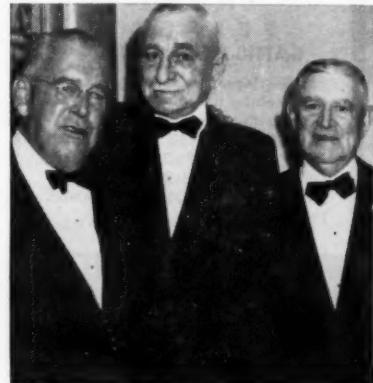
## ALSO A HIGH SPOT . . .

... among insurance agents is the service of these great companies. They know they get speedy, efficient service . . . claims are paid promptly . . . and they get constant home office co-operation. That's why the trend is to Hawkeye-Security and Industrial.



**HAWKEYE-SECURITY INSURANCE CO.**  
**INDUSTRIAL INSURANCE CO.**

Des Moines, Iowa



Group of dignitaries at National Board annual in New York: J. M. Haines, retired U. S. manager of Phoenix-London; W. E. Mallalieu, retired general manager of the board; W. Ross McCain, chairman of Aetna Fire group, retiring board president.

## ACCIDENT AND HEALTH

### DeYoung and Kummerow Open Chicago Agency

Jay DeYoung and Walter C. Kummerow on June 5 will open an A. & H. agency at Chicago as DeYoung, Kummerow Co., with offices on the ground floor at 330 South Wells street. They represent as general agents American Casualty, Great American Indemnity, Home Indemnity, American Health of Baltimore, and Bankers National Life. They expect to add more companies to the agency and are going to feature the programming of A. & H. insurance and facilities for a variety of coverages in one office. Along with Mr. DeYoung as president of the agency and Mr. Kummerow as vice-president, are Mr. DeYoung's two sons, John E. DeYoung and Norman DeYoung, will be secretary and treasurer respectively.

The agency will open up the state for American Health and for Bankers National Life.

Mr. DeYoung was manager of the Chicago A. & H. branch of Continental Casualty for 12 years and Mr. Kummerow was in charge of production in that branch during much of that period. Mr. DeYoung entered the A. & H. business as an agent with Continental Casualty at Chicago in 1926 and Mr. Kummerow entered the business in 1936 as a home office underwriter with Continental Casualty. Both men are past presidents of Chicago A. & H. Assn., and Mr. DeYoung is on the board of International Assn. of A. & H. Underwriters.

Associated in the agency as supervisors are two other men formerly in the Continental branch, Edward G. Hildebrandt and Lee R. Zoeller.

The agency is affiliated with Jay DeYoung & Associates, metropolitan supervising general insurance agency at Chicago, which has been operated by Mr. DeYoung and his two sons.

writer, recently retired as editor of the Accident & Health Review, who was a charter member of the Chicago association when it was organized in 1925.

### U. S. Life Has New Policy

A new hospital or nurse indemnity policy for individuals and family groups has been introduced by United States Life. Known as the quality hospital policy, it provides daily hospital benefits up to \$12.50 a day as long as 100 days for men and women, and up to \$10 a day for children; \$5 a day nurse service at home, expenses for emergency hospital treatment, and maternity at home or in hospital. Optional benefits include surgical operation coverage and payment for doctor's visits in hospital up to 30 days.

### Extends Medical Expense Plans

Pacific Mutual's prepaid medical expense plans, originally restricted to groups of 10 to 24, now are being issued to larger employee groups of up to 49 workers.

### New Philadelphia Insurer

Fidelity Casualty of Philadelphia is a new company that has been licensed. The capital is \$100,000 and net surplus is \$50,000. It will engage in A. & H. and hospitalization insurance. The president is Samuel L. Myers; vice-president and treasurer, Harry T. Dozer, and secretary, A. E. Ensell.

**Accredited Hospital & Life** of St. Louis, which was organized a little more than three years ago, will by the end of May have written \$1 million in premiums since it started in business. President August Kern, Jr., has announced. In celebration of this milestone, Mr. Kern has arranged for a "get-together" the evening of June 4.

### Central Ill. Adjusters Vote

Adjusters Assn. of Central Illinois met at Decatur and elected: President, J. W. Taft, Employers Mutual of Wausau, Decatur; vice-president, Richard Dodson, American States, Springfield; secretary, Phil Farrington, Lumbermen's, Decatur; and treasurer, H. T. Trippel, Illinois National Casualty, Springfield.

The golf outing will be on July 11 at Oak Crest country club in Springfield. Tickets were distributed for this outing at the meeting.

### BANCURANCE

is it's name — — —

### A MOST SPECTACULAR SUCCESS IT IS THE PERFECT BANK-AGENT PLAN

For the Insurance Agency insuring Automobiles financed by Banks and Finance Companies . . . . With GUARANTEED COMMISSION PLUS LIBERAL PROFIT SHARING, OFFERS TOTAL HIGHER COMMISSIONS THAN MOST COMPANIES PAY.

### AMERICAN BANKERS INSURANCE COMPANY

of FLORIDA MIAMI 32, FLORIDA

### SPECIAL AGENTS WANTED

To handle "RETROPLAN" and "BANCURANCE" contracts—outstanding time-tested plans for Bank, Finance and Loan Company Auto Physical Damage Insurance . . . Representatives now earn upwards of \$10,000 per year on commission basis. If you can qualify by financing yourself or as "ADDITIONAL REPRESENTATION" write us today.

## Package Coverage . . .

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### WORKMEN'S COMPENSATION

### AUTOMOBILE COVERAGE

Why not check into the advantages offered by C. O. C. C. specialization in providing the coverages noted above . . . specialization that results in simplified insurance functions for your client and more profitable business volume for you.

Write today for complete details!

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CASUALTY COMPANY**  
GREENSBURG, PA.

**S**erving the Public, Commerce and Industry  
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**BURGLARY**  
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**GENERAL LIABILITY**  
**COMPREHENSIVE LIABILITY**  
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GARANTEE INSURANCE

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Mid-West Division: Circle Tower Building, Indianapolis, Indiana

Southern Division: Mercantile Commerce Building, Dallas, Texas

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Immediately following the dinner John H. Campbell, immediate past president and chairman of the banquet committee, who was presiding, presented President Lundquist a pen and pencil set in recognition of his service. He mentioned that Mr. Lundquist is the only man who has been elected president on two different occasions.

Mr. Lundquist then presented a pipe rack and humidor with three pipes to Frank A. Post of The National Under-

## CHANGES

### C. C. Gay Agency Director of Farm Bureau Group

Chester C. Gay has been named director of agencies for the Farm Bureau insurers of Columbus. He joined the Farm Bureau as an agent in 1934, and has served successively as district manager, special life agent, field supervisor, state agent, and superintendent of agencies, and has worked in Ohio, Vermont, Pennsylvania, West Virginia, Connecticut, Rhode Island, and New York.

### Whitten and Holmes Are Promoted by Glens Falls

Glens Falls group has appointed Robert A. Whitten as manager of the home office agency department.

Mr. Whitten entered insurance in 1930 and joined Glens Falls in 1943. He has served as special agent in charge of the central home office territory for Glens Falls Indemnity.

Glens Falls Indemnity has appointed C. John Holmes as special agent of the central home office territory to succeed Mr. Whitten.

Mr. Holmes is a graduate of Middlebury College. Following the war, he joined Glens Falls in 1946 as adjuster in the home office territory. He has served as examiner in the bond claims division and the underwriter of disability benefits insurance.

### United Pacific Changes

Ralph L. Blum has been elected executive vice-president of United Pacific and placed in charge of fidelity-surety lines east of the Rocky Mountains.

Carl M. Slininger of Los Angeles is named vice-president in charge of fidelity-surety operation in California, Arizona and Nevada.

Mr. Blum has been vice-president and manager at Kansas City. He has been with United Pacific six years and previously had seen service with Western Casualty & Surety, Southern Surety, Federal Surety, Moore, Case, Lyman & Hubbard, Chicago, and Chicago Bonding & Surety.

Mr. Slininger has been assistant vice-president of Pacific Indemnity in the bond department. In 1929 he was claims adjuster for Travelers Indemnity in Iowa and then he was adjuster for U. S. F. & G. at Los Angeles, later was in a law firm there and prior to going with Pacific Indemnity, was with Royal and Globe Indemnity.

### Opens Office at Portland

American Credit Indemnity has opened an office at Portland, Ore., with George B. Davis, formerly with the company at San Francisco, in charge. The office will supervise Oregon and Washington.

### Opens Detroit Branch

Michigan Surety has opened a branch office in the Guardian building, Detroit, to service the metropolitan area. Clifford J. Huckle is manager and James C. Crozier special agent.

### Boost Wis. Capitol Cover

MADISON, WIS.—The Wisconsin legislature has taken action to remove the \$500,000 limit on insurance for the \$19 million state capitol building, and fix the coverage at 90% of current value. This will increase the coverage from \$500,000 to \$17,100,000.

### Wants Insulation Plan

H. A. Reardon, president of Insurance Brokers Assn. of Massachusetts, charged that it was a colossal blunder to let Preferred Accident go on the rocks. The insurance companies, he contended, should have set up a fund

to guarantee solvency of insurance companies. He declared that the failure of Preferred will furnish ammunition for those that advocate state security funds and that such a development could spell further government encroachment. He said that the insurance companies might take a leaf from the book of the cooperative banks that in 1932 formed what is known as Cooperative Central Bank. This has been the means of keeping unblemished the records of these cooperative banks. The same year a similar institution known as Mutual Savings Fund was formed by the Massachusetts savings banks.

### Insurance-Finance Test Case

MUSKEGON, MICH.—A test case relative to the handling of insurance premium payments in connection with small loan financing may be headed for the Michigan supreme court as a result of a municipal court decision here. An appeal to the circuit court here was regarded as a certainty.

Judge Beers held that Michigan Fidelity Loan Co. had, in effect, charged an illegal rate of interest on a loan to one Robert C. Hoes by deducting from the amount of a loan \$47 paid for insurance premiums on the car involved under a chattel mortgage.

### New England Agents' Program About Ready

The program has been pretty well shaped up for the annual meeting of New England Assn. of Insurance Agents at Poland Spring, Me., June 24-26.

Sunday evening following registration there will be an informal dinner with Armand Trudeau, Montreal agent, as the speaker. Speakers Monday morning will be James F. Van Vechten, Akron, O., vice-president of N. A. I. A., on "Your National Association in Action;" James C. O'Connor, editor of Fire, Casualty & Surety Bulletins, "Broad Dwelling Forms," and Clarence R. Rauter, education director of N. A. I. A., on "Fire Legal Liability."

The afternoon will be devoted to sports, the highlight being a softball game between agents and company men. America Fore will be host at a reception before the banquet Monday evening. Professional entertainment and dancing will follow.

A panel discussion is planned for Tuesday morning. Speakers have not yet been announced.

Richard F. Taylor, a member of the claims department of Carolina Casualty

at Burlington, N. C., and Miss Elizabeth Mae Rauhut of the Charles V. Sharpe local agency of that place were married. Mr. Taylor's father H. W. Taylor, is resident vice-president at Richmond for American Casualty. Richard Taylor graduated at University of North Carolina.

### Oppose Mo. Regulation

According to Insurance Agents Assn. of Kansas City, that organization and the Missouri-domiciled companies are opposing passage of the bill to place under rating supervision those inland marine lines that are not now regulated. This measure, according to the agents' organization, is desired by National Board.

### Now Brink-Linnell Agency

Thomas G. Linnell, Inc., Minneapolis general agency, has changed its name to Brink-Linnell Agency, Inc., with Joseph R. Brink continuing as president and sole owner. The general agency has moved to new and larger quarters at 750 Baker building and held open house with about 200 in attendance. It is general agent for Atlas, British General, Century, Standard of New York, and Century Indemnity.

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and Associates: Continental Assurance Company  
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## Naghten & Co. of Chicago Expands

Eugene E. Erickson has become connected with the John Naghten & Co. agency of Chicago as manager of the



John Naghten (left) and Mr. Erickson.

newly organized casualty and automobile insurance department. Miss Florence Reveal continues as casualty supervisor and Miss Margaretta Hanson as automobile supervisor.

### Ask Stock Sale Permit

Allied of Los Angeles has applied for permission to sell 3,000 shares of \$50 preferred stock at \$100 per share and 12,000 shares of \$12.50 par value common stock at \$25 per share. This company intends to write automobile liability compensation and common carrier business. The president is Charles W. Brown; vice-president, Frank J. Egger and secretary, William H. McCaffrey.

### Elect Dugan at St. Louis

John A. Dugan, General American Life, was elected president of St. Louis A. & H. Underwriters Assn. at the annual meeting last week. Hal D. Miller, Mutual Benefit H. & A., was named vice-president; Joseph A. Redel, Columbian National Life, secretary, and Fred E. Maginity, American Life & Accident, treasurer.

Speaker was Jack E. Rawles, assistant superintendent of agencies for Reliance Life, who contended that agents should concentrate more on sell-

ing protection rather than benefits if government encroachment is to be staved off.

Mr. Rawles said that basic protection is the foundation of the insurance business and because of over-emphasis on certain benefits, insurance premiums are often made higher than they otherwise would be, mentioning as an example the extra charge for hospitalization insurance due to the inclusion of maternity benefits and the stress that has been laid on them.

Personal persuasion should be relied upon in selling more than the company advertising, Mr. Rawles added. He said there is no question that advertising and sales material in the A. & H. field have gone ahead of life insurance, but he remarked that salesmanship has failed to keep up with the pace.

### Air Force Contracts Awarded

LOS ANGELES — Del E. Webb Construction Co. has been awarded a contract by the U. S. air force for the construction of 119 barrack buildings and mess hall at Amarillo, Tex., at \$9,800,000. The firm also has been awarded a contract for an additional 102 barracks at the same place at \$7 million.

Maryland Casualty, through its Los Angeles branch, executed the bonds on both jobs.

### Treasury List Grows

WASHINGTON — The Treasury has approved for writing surety bonds American Credit Indemnity, with underwriting limitation \$957,000, and Hanover Fire for \$1,249,000.

### R. P. Tobin New President

Due to the fact that John Moran, the president of Casualty Adjusters Assn. of Chicago, has been transferred to Rochester by Allstate, the organization at its last meeting elected as president, Robert P. Tobin of Zurich. Succeeding Mr. Tobin as vice-president is Paul Schuwerk of American Motorists.

There will be a golf outing at St. Andrews June 20.

### Mail Order Men to Meet

The annual meeting of Assn. of Insurance Advertisers, mail order insurer group, will be held at Sheraton Hotel, St. Louis, May 31.

Robert J. English, son of the late Francis P. English, who died May 12, will manage the F. P. English & Co. agency at Syracuse, N. Y. He had been in charge during the illness of his father and has been with the agency since 1947.

### Mich. Puts Restriction on New Defense Rating Plan

LANSING, MICH. — A safeguard against the placing of business by unlicensed persons close to the federal government is contained in the Michigan department's approval of filings for the national defense projects rating plan.

At the request of Michigan Assn. of Insurance Agents, Commissioner Forbes stipulated that "any insurance adviser connected with the placing of business or any proceeding in connection with the plan must be a duly licensed casualty producer and all policies covering business or locations in Michigan must be countersigned by a duly authorized Michigan agent."

The association claims that during the war, when a similar plan was in operation, considerable business was placed by persons having no authorization or previous company affiliation.

### Alex J. Clark Named

Alex J. Clark of Dallas, has been appointed manager of Cotton Warehouse Inspection Service, taking the place left vacant by the death of J. D. Jones.

Mr. Clark majored in mechanical engineering at Southern Methodist University. He has had wide experience in the inspection of cotton risks, in general fire adjusting, and cotton underwriting. The head office of C.W.I.S. will be moved from Memphis to Dallas soon.

### Bosses' Night in Syracuse

S. B. Coulter, attorney, was the principal speaker at the annual bosses' night banquet of the Syracuse Insurance Women's Assn. New officers installed are Miss Antoinette Petosa, president; Miss Irene Dickenson, vice-president; Miss Joanne Welch, secretary; Miss Marie-Estelle Veri, assistant secretary; Miss Doris Phelps, treasurer; and Mrs. Anna Dell Haib, assistant treasurer. New board members are Miss Anne Passage, Miss Marion Finkbeiner, Mrs. Mary Speach, and Mrs. Constance McLusky. The insurance women's and men's chorus presented a program under the direction of Albert C. Deisseroth, past president of the New York State Assn. of Insurance Agents.

Katharin Reynolds of Founders has been elected president of San Francisco Insurance Women's League. She succeeds Carol Terrill, Glens Falls. Justine Beirne, W. B. Brandt & Co., is vice-president; Marlon Walker, Great American, and Veronica Dickenson, Aetna Fire, secretaries, and Amy Gillespie, broker, reelected treasurer. The officers will be installed June 4 by Peggy Lute, regional director of the National association.

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Maxwell Sagat of the New York department, W. Harold Bittel, actuary of New Jersey department; R. E. Jacoby, Illinois department; Max Schwartz, New York department, and W. Clement Stone, Combined, at annual banquet of Chicago A. & H. Assn.

## Conn. FR Bill Sets 20 / 20 Limits

The strengthened financial responsibility bill that has been passed by the Connecticut legislature and is now in the hands of the governor requires 20/20 limits of auto B.I. cover. Thus Connecticut goes one up on New York, which this year increased the limits to 10/20. In the other states the amounts are 5/10.

### Neil Russell President

Neil Russell of Chicago Motor Club was elected president of Illinois Bureau of Casualty Insurers at the annual meeting at Springfield. The business meeting was held one day and the next day came the golf outing at Oak Crest Country Club there at which Insurance Director Day of Illinois, and 29 members of his department were guests.

G. A. Hatfield of Mid-States is first vice-president; Karl Buehler of Beacon Mutual Indemnity, second vice-president; Carl Neyhart of Economy Auto, secretary; John Pabst of Dubuque Fire & Marine, treasurer; S. Alexander Bell, the manager, assistant-treasurer, and R. J. Icks, actuary.

Everyone got a prize at the banquet and C. L. Morris, Illinois National Casualty, presided as master of ceremonies.

### Deductible Is Halved

Atlantic Mutual has reduced the amount of the deductible under its dwelling all-risk endorsement that sells for 10 cents from \$100 to \$50. This is applicable to outstanding policies as well as new ones.

### Excess Cover Liberated

Commissioner Chesney of Maryland has suspended general filing requirements applicable to catastrophe covers for self insured under conditions that are about the same as the model that was devised in Illinois. There must be a minimum loss retention of \$100,000 and the insured must warrant that this is not covered by insurance. The insurance must relate to special situations on which statistical justification of the rate is not reasonably obtainable, the rate must be gotten from individual analysis and not from application of a regular scale of rates, and the figures on this class of business must be segregated.

### New York Blue Goose Slate

At the annual outing of the New York City Pond of the Blue Goose, to be held June 8 at Rock Spring country club, West Orange, N. J., the following slate of officers will be voted on:

M. I. G. Walter Sheldon, Niagara; supervisor, Robert Stumpf, General Adjustment Bureau, Paterson; custodian, Floyd Pickett, Home; guardian, Thomas Finegan, Corroon & Reynolds; keeper, Harold Wittich, state agent at Newark for Providence Washington, and wielder, John MacAndrews, Prentiss Reed, adjuster.

Walter W. Emely, Automobile Adjustment Bureau, New York, and this year's M.I.G., has been ill for a long time.

### Royal Exchange Roundup

All of the field men of Royal Exchange will be in New York for a round up with head office executives for several days around June 27.

### Fuller to Arnold & Baker

James R. Fuller, until last month insurance manager of Deering, Milliken & Co., has been elected a vice-president of Arnold & Baker, New York insurance brokers.

Mr. Fuller has been a broker, home office representative and administrator on behalf of large buyers. During the war he did fire protection engineering

for both Factory Insurance Assn. and Reynolds Metals Co.

### Palmyra Loss \$100,000

Loss in the fire that leveled 11 buildings in the downtown section of Palmyra, Ill., Sunday is estimated at about \$100,000 in all. Newspaper reports put the loss at a million. All of the losses are virtually total. A number of insurance agencies were burned out and their records lost.

### Cochran Is Reelected

Perrin C. Cochran of Phoenix of Hartford was reelected president of Stock Company Assn. and Ivan Escott, Home, was reelected vice-president. W. J. Reynolds is treasurer and Gale C. Morgan, secretary-manager.

### Now Millers Mutual of Ill.

The word "Fire" has been eliminated from the title of Millers Mutual Fire of Alton, Ill.

Donald H. Engler has been appointed assistant superintendent of the salvage division of U. S. F. & G. He has been superintendent of claims in the Baltimore department. He is succeeded in that position by Alexander Rossman.

### Pearson of N. Y. Journal to N. Y. Department

A. J. Bohliger, New York insurance superintendent, has appointed Carl O. Pearson, associate insurance editor of the New York Journal of Commerce, special assistant, effective June 15.

A native of Chicago, Mr. Pearson was educated in public schools there and Northwestern University. He started his business career with the Chicago Journal of Commerce. In 1939 he was appointed assistant insurance editor and two years later was transferred to New York City as eastern insurance editor.

He joined the insurance editorial staff of the New York Journal of Commerce in 1943 and most recently has been associate insurance editor. While with the Journal of Commerce, Mr. Pearson covered the meetings of the National Assn. of Insurance Commissioners as well as company associations.

### National Board Steering Committee Election

NEW YORK—Those elected to the executive committee of National Board for three year terms are: C. L. Allen, president of Aetna Fire; James F. Crafts, president of Fireman's Fund; Victor Herd, executive vice-president of Continental; John A. North, president of Phoenix of Hartford, and W. J. Reynolds, president of American Equitable.

Elected to complete the term of Henry A. Yates, who retired Feb. 1, 1951, was J. C. Hullett, executive vice-president of Hartford Fire.

A. B. Jackson, president of St. Paul Fire & Marine, was elected to fill the unexpired term of H. C. Conick, who is the newly elected vice-president.

### F. J. Grennan Promoted

Ocean Accident has appointed Frederick John Grennan as assistant manager of the Central department at Chicago, Illinois.

Mr. Grennan has been associated with the organization many years, his entire business career has been devoted to insurance. For the last several years he has served as superintendent of the automobile department.

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- Inland Marine
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- Accident
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- Liability
- Burglary
- Plate Glass



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## National Board's Dinner Brilliant

(CONTINUED FROM PAGE 1)

panies' tobacco crop insurance policy, private insurers have agreed not to seek contribution from any government policy and will adjust losses under their policies as though no government policy were in existence. Otherwise the farmer holding both sets of policies would in event of loss recover less than if he had held only a policy in a private insurer. This is the practice followed with respect to hail on growing crops.

The committee report states that perhaps as many as 1,500,000 losses resulted from the November 24-26 windstorm in the northeast with a dollar loss estimated as high as \$150 million.

A summary of losses as a result of the explosion at South Amboy, N. J., in 1950 shows \$6,732,300.

### Revised Notice of Loss

One lesson learned from the many losses incurred throughout 1950 was the need of a revised notice of loss form, the report stated. It is important that a notice of loss form be prepared by the agent in all cases, that the form be so devised that all necessary information is contained therein, and that the agent's copy be readily available to the adjuster.

A revised form has just been approved and will be available when the present short supply is exhausted.

A revised uniform proof of loss to meet the requirements of the 1943 standard policy now has had wide distribution and is in general use. A uniform master proof of loss form was devised for use in connection with losses involving utilities, municipal, county and state properties, and religious and charitable institutions. This form also was approved for use on mercantile and industrial properties in cases where ten or more policies are involved and the loss does not exceed \$10,000.

### NEW CYCLE

In four years the business has witnessed a cycle in its legal life, especially rate regulation. J. Victor Herd, executive vice-president of America Fore, noted in the report of the committee on laws, of which he is chairman. He feels the business is on the threshold of another cycle which may produce a major revision of the regulatory concept. This prospective revision, induced principally by enactment of multiple line laws, their interpretation by regulatory authorities and their application by insurers, probably will have a greater impact upon the conduct of the fire and casualty business than anything that has affected the two in the past.

Among important items of unfinished business on the agenda of the committee are a formula for determining underwriting profit for rate making purposes, a formula for determining the valuations of securities for statement purposes, a term rule study, and a standard fire policy in connection with multiple line operation.

### John A. North Report

There were three unusually important developments in the public relations program, according to the report of the P. R. committee headed by John A. North, president of Phoenix-Connecticut. These are a new departure in the type of national advertising being done by National Board, simple, straightforward messages and illustrations pointing up the vital role which the fire business plays in the national economy and in support of free enterprise; expansion in production of motion pictures and extension of their use, and a marked increase in effectiveness of informational and educational activities of the board at the community level through an expanded effort by regional associations, field clubs, company adjustment organizations, and producer groups.

The revised aggregate of fire losses for 1950 shows a total of \$648,909,000, a decline of .4% from the figure for 1949, according to the committee on

statistics and original of fires. George H. Duxbury, U. S. manager of North British, is chairman of that committee. The slight decrease in fire losses for the past two years is partly due to the unremitting fire prevention activity by the insurance business and the minimizing of the moral hazard because of a steady rise in property values, according to the report.

W. S. Vanderbilt, secretary of Hartford Fire, filed a report as national councilor to the U. S. Chamber of Commerce. Total membership now stands at 202, according to the report by J. K. Hooker, automobile, chairman of the committee on membership.

### Arson Fires Down

The outbreak of the Korean war has tended to decrease the incidence of fires set for profit, according to the report of the committee on incendiarism and arson, headed by Lester S. Harvey, president of the New Hampshire. In 1950 there were 53 less arrests, 80 less convictions and seven more equitables than in 1949. A number of interesting arson cases are detailed in the committee's report.

Indiana and Rhode Island appointed National Board statistical agent in 1950, which brought to 43 the number of designations of the board as statistical or collecting agent, according to the actuarial bureau committee headed by Ivan Escott, vice president of Home States in which statutes do not provide for such designation or which name local agencies are California, Louisiana, Montana, Texas, Virginia, Vermont and West Virginia. District of Columbia, Alaska, Hawaii and Puerto Rico have named National Board as statistical or collecting agent.

Companies subscribing to actuarial bureau in the year ended April 30, 1951, requested 42,494 reports from the loss information service, the index of which now contains 175,583 cards. The increased size of the service record is due in part to expansion to contain information relative to criticized claims on allied lines and inland marine losses.

## Norwich Union Change on Coast

SAN FRANCISCO—Milton C. Godfrey, formerly assistant manager of Norwich Union at San Francisco, has been made manager effective July 1. He succeeds Russell L. Countryman, who is retiring after 45 years in the insurance business and 37 years with Norwich Union.

CARL H. HOOVER, 62, who wrote "When Will You Be Sued" for the Sat-



At National Board dinner: Above—Gordon Ingebritson, National Board; Roy G. Bachman, southeast manager of General Adjustment Bureau; W. G. Vail, general adjuster Phoenix-London, and Leo Bronson, New Haven independent adjuster.

Below—Owen Barker, executive vice-president of Appleton & Cox; and Alex Ross, executive vice-president, and L. R. Moffitt, assistant vice-president of Crum & Forster.

## Schiele Named Agency Head by Seaboard Surety

Frank E. Schiele, has been appointed agency superintendent by Seaboard Surety. He takes full jurisdiction over all agency and related matters. He has been with the company since early 1950 and prior to that time was with National Surety.

Harry B. Hershey, former Illinois insurance director and now of the Springfield insurance law firm of Hershey & Wanless, is a candidate for a place on the Illinois supreme court. The election is next Monday. His opponent is Justice Jesse L. Simpson of Edwardsville.

## Seek Catastrophe Training for Agents

(CONTINUED FROM PAGE 13)

for agents' licenses. This bill has passed the house. Another bill supported by the association provides for compulsory inspection of automobiles by public garages at least annually.

Four local boards in the state are undertaking the promotion of driver education in schools. Harry Furniss, New Haven, is chairman of the accident prevention committee. John Hansen of Bridgeport, is chairman of the education committee, which is again co-sponsoring the institute for advanced agency management at the University of Connecticut in August. Sage Adams, Guilford, is handling the work on the school, which already has an enrollment of 60.

### Exams of Motor Dealers

The educational committee has aided in getting a ruling from Commissioner Allyn, which would require automobile dealers to take the full examination that applicants for fire insurance take. This calls for an exam of more than two hours each for fire, casualty and accident and health and life, with about 90 hours of study necessary. This will put Connecticut next to New York with respect to standards for licensing agents.

The work of the fire safety committee headed by Reinold Parker of New Haven; local boards, F. Chandler Moffatt, Westport; membership, Elmer Schlegel, New Haven; speakers, Leonard Fish, New Haven, and finance, W. J. Dodd, Waterbury, were detailed.

The U. & O. forum is reported elsewhere.

Among the changes in the constitution and by laws that were adopted after presentation by Paul Avery, Granby, past president, were to hold the annual meeting any time in the last half of the year instead of after the first day in October because of the difficulty of finding a place and time for a large meeting and elimination of the office of honorary vice-president, of which the association ain't had any for a long time.

It was thought that safety respon-

sibility laws would meet the demand for compulsory automobile insurance, Richard C. Wagner, secretary and legislative counsel of Assn. of Casualty & Surety Cos., said in his talk. However, the demand for compulsory has revived after ten years. He recommended that agents watch closely the operation of their F. R. law and be ready at all times to meet the challenge of those promoting the compulsory idea.

It used to be urged that compulsory was needed because so few motorists were insured. Now that F. R. laws have brought the percentage of insured cars close to 100, those seeking compulsory say that since almost all are insured we might as well have compulsory.

Mr. Wagner suggested that if the property damage claim is certainly less than the reportable amount (\$100 in the proposed Connecticut law) the accident not be reported. New York officials say this would save a lot of work. In New York State, in only 5% of the cases does the borderline amount originally reported turn out to be reportable.

Agents can perform a real service by telling motorists the practical necessity of carrying insurance. Agents can help also in getting prompt reporting of accidents and insurance by insured.

### Wagner Substitutes for Allyn

At the midyear luncheon, head table guests were W. W. Hatfield, Bridgeport; Mr. Motatt; Robert S. Preston, Providence, president Rhode Island association; Theodore J. Richard, Norwich, a local agent and food and drug commissioner of Connecticut; Richard J. Marks, mayor of Norwich, also an agent; Frank Wagner of the insurance department, who filled in for Commissioner Allyn; James McClure, Bangor, secretary Maine association, and Edgar H. Clarke, Manchester, secretary Connecticut association.

Mr. Wagner said Commissioner Allyn was prevented from attending because of a special conference in the attorney general's office that morning in which there was discussed a suit against the commissioner brought because he revoked the license of a New York organization.

### Clarke Conducts Forum

Many of those attending the meeting played golf, but there was in the afternoon a forum to discuss the additional extended coverage endorsement, new farm rates, single limit bodily injury and property damage, and safe driver award. This was conducted by Mr. Clarke.

The outstanding feature of the program was the appearance of Gene Flack, director of advertising for Sunshine Biscuits who put on an entertaining presentation in which was contained some sound sales advice.

G. Burgess Fisher of Hartford presented the resolutions. Sage Adams played the piano.

Mrs. Helen North attended. Last week she was installed as president of the New Haven Assn. of Insurance Women by her husband, David A. North, past president of N.A.I.A.

Frank G. Waters of Norwich was chairman of the convention committee.

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*The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.*

A woman's prayers, overheard in a lonely forest, launched the career of one of America's foremost educators, William Holmes McGuffey. While riding along a trail in 1818, the Reverend Thomas Hughes, a prominent pioneer, heard a woman praying that her children might receive an education. As a result of his investigation he arranged to have her stepson William McGuffey attend the Old Stone Academy in Darlington, Pa. Though the family considered this episode a miracle, in later years McGuffey himself used to remark quizzically that his practical stepmother probably timed her prayer to be heard both by the Almighty and His earthly representative.

Born on the Pennsylvania frontier in 1800, McGuffey as a boy received only rudimentary education. Even after entering the academy his home duties prevented full-time attendance. He memorized his lessons, however, and recited them aloud while at his chores, thus developing his renowned oratorical ability and the memory which enabled him to repeat verbatim many books of the Bible.

After working his way through Washington College and teaching summers, McGuffey became a professor at Miami University in Oxford, Ohio. Here in 1833 he and his wife moved into their new home (now owned by Miami University) where the idea was born for the readers which made his name a household word. Here, with his own and neighbors' children, he tested his theories of education, often holding classes outdoors with pupils seated on logs. His highly successful series of readers incorporating his teaching methods proved far superior to earlier textbooks not only in their carefully graded material but in the use of numerous illustrations which appeared in later editions.

A striking figure in his black bombazine suit and stovepipe hat, McGuffey was an unforgettable teacher and his readers had untold influence on the mental and moral development of generations of schoolchildren.

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